

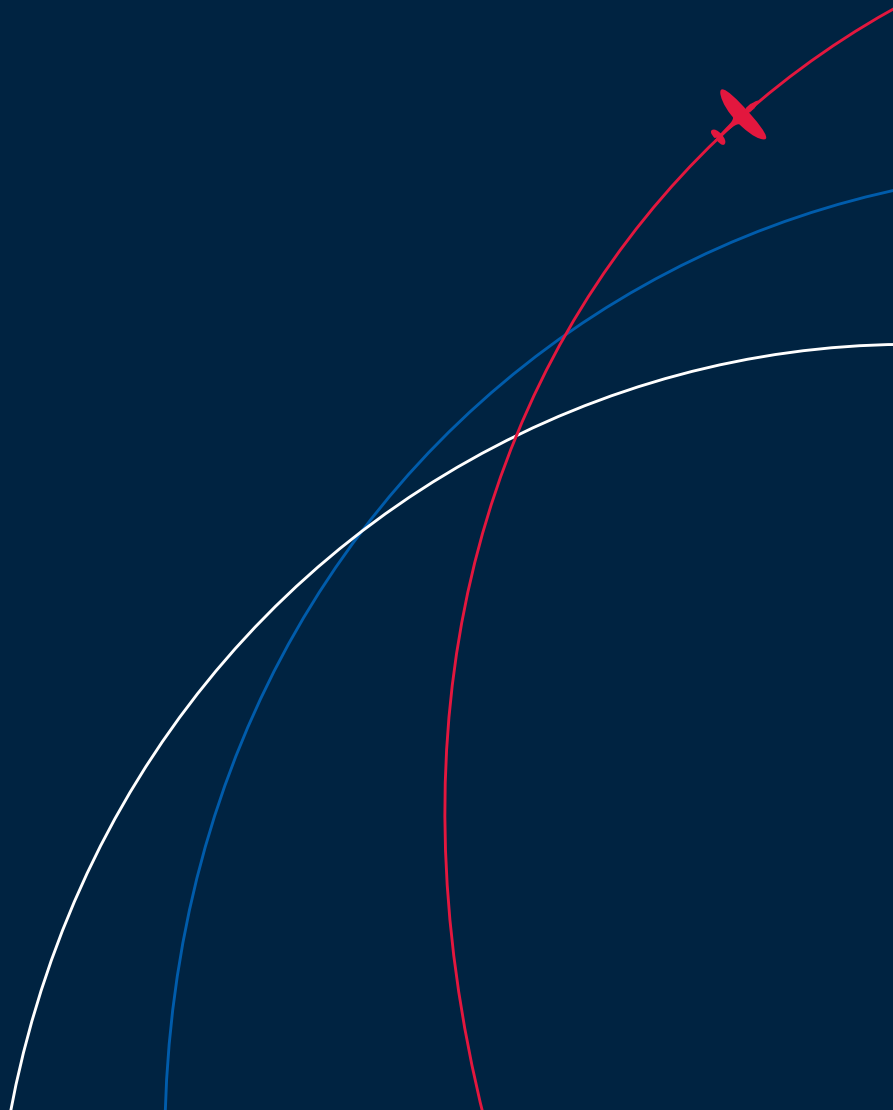


Royal Air Force
Benevolent Fund

ANNUAL REPORT

2023

TRUSTEES' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2023



PRINCIPALS, TRUSTEES AND EXECUTIVE LEADERSHIP TEAM

PATRON

His Majesty The King

PRESIDENT

HRH The Duke of Kent
KG GCMG GCVO CD

LIFE VICE-PRESIDENTS

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of Radley GCB OBE MA DSc FRAeS

Air Chief Marshal Sir Michael Graydon
GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen Hillier
GCB CBE DFC MA

Air Chief Marshal Sir Richard Johns
GCB KCVO CBE FRAeS

Air Chief Marshal Sir Roger Palin
KCB OBE MA FRAeS FIPD

Lady Hillier

VICE-PRESIDENT

John Isabel DL

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Deputy Chair

The Viscount Trenchard of Wolfeton DL

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Members

Alison Benjamin BA (Hons)

Graeme Craig MA (Appointed 1 April 2023)

Wing Commander Sarah Davis MBA MSc
FCIPD

Lady Hillier

Air Chief Marshal Sir Richard Knighton
KCB ADC FREng (Appointed 2 June 2023)

Air Marshal Paul Lloyd CBE MSc MA MDA
BEng CEng FIMechE RAF (Appointed 18
September 2023)

Wing Commander Marie-Noelle Orzel OBE
QVRM MSc PGDE RGN RSCN

Rachel Prendergast BA (Hons) MA

Stepped down during the reporting period

David Cheyne MA (Cantab) (31 Mar 2023)

Air Chief Marshal Sir Michael Wigston
KCB CBE ADC RAF (2 June 2023)

Richard Maddison OBE MA
(14 May 2023 to September 2023)

BOARD OF TRUSTEES

Chair

Richard Daniel BSc (Hons) FRAeS

Trustees as of 2 July 2024 (date report approved)

Wing Commander Dr Sophie Allen MBChB
MRCGP DRCOG DFSRH DOccMed DAvMed
PGCME

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA

Alison Benjamin BA (Hons)

Graeme Craig MA

Richard Cryer MA (Cantab) FCA

Wing Commander Sarah Davis MBA MSc
FCIPD

Alastair Irvine BA (Hons) MCSI

Squadron Leader Clive Martland MBE

Lady Meri Mayhew BA (Hons)

Rachel Prendergast BA (Hons) MA

Stepped down during the reporting period

David Cheyne MA (Cantab) (31 Mar 2023)

Peggy Walters MA (18 May 2024)

EXECUTIVE LEADERSHIP TEAM

Controller

Air Vice-Marshal Chris Elliot
CB CBE DL MA BSc

Director of Resources

Victoria Akinboro BSc (Hons) ACMA CGMA

Director of Fundraising

Jason Shauness BEd (Hons) Grad Dip REM
(until 17 Mar 2023)

Air Commodore Paul Hughesdon MBE MA
(interim, 27 Mar to 15 June 2023)

Ben Alonso (from 10 July 2023)

Director of Grants, Strategy and Programmes

Air Commodore Paul Hughesdon MBE MA
(until 8 Mar 2023)

Air Commodore Simon Harper
OBE MA FCIPD
(from 9 Mar 2023)

Director of Strategy and Impact

Alison Wyman MSc BSc (Hons) CG (Affiliated)
(until 30 June 2023)

Dr Hannah Brooking MSc BSc (interim from
30 June 2023, permanent from 23 Oct 2023)

CONTENTS

TRUSTEES' REPORT

A FOREWORD FROM OUR PRESIDENT, HRH THE DUKE OF KENT	5
ABOUT US	6
STRATEGIC PROGRESS	8
PROGRESS AGAINST OUR WELFARE GOALS	14
SUPPORT FOR THE SERVING COMMUNITY	19
FUNDRAISING	21
GRANT MAKING	24
FINANCIAL HIGHLIGHTS	26
FINANCIAL REVIEW	27
STRUCTURE, MANAGEMENT, GOVERNANCE AND RISK	33
PRINCIPAL PROFESSIONAL ADVISERS	36
STATEMENT OF TRUSTEES' RESPONSIBILITIES	37
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES	38
FINANCIAL STATEMENTS	42
NOTES TO THE FINANCIAL STATEMENTS	45
SUBSIDIARY ORGANISATIONS	76

A FOREWORD FROM OUR PRESIDENT, HRH THE DUKE OF KENT



As we reflect on 2023, we are reminded of the profound significance this year held. It marked the 100th anniversary of the RAF Memorial, a poignant tribute to the brave men and women of the Royal Air Force who made the ultimate sacrifice during the First and Second World Wars and have no known graves. This memorial is not just a symbol of remembrance for those who served in the past; it also stands as a testament to the courage and dedication of today's RAF personnel and those who will serve in the future. It is for these heroes and their families that the RAF Benevolent Fund exists.

Memorials play a crucial role in recognising, remembering, and educating us about the immense losses and remarkable achievements of wartime. For instance, the Bomber Command Memorial honours the 55,573 Bomber Command crew members who perished during the Second World War. Last year's memorial service was especially poignant as we mourned the loss of two of our cherished Bomber Command veterans.

In 2023, I had the honour of attending the Trenchard Memorial Service at the RAF Chapel in Westminster Abbey with the RAF Benevolent Fund. We paid our respects to Marshal of the Royal Air Force Hugh Trenchard, 1st Viscount Trenchard, known to many as the 'Father of the RAF'. It was Lord Trenchard's visionary leadership that led to the founding of the RAF Benevolent Fund in 1919. Since then, the RAF Benevolent Fund has been a steadfast source of support for hundreds of thousands of RAF personnel, veterans, and their families in their hour of need.

Throughout the past century, the RAF Benevolent Fund has shown remarkable adaptability, evolving to meet the changing needs of the RAF Family. In 2023, this commitment remained unwavering as we supported over 42,200 members of the RAF Family, providing essential assistance where it was needed most.

The RAF Benevolent Fund remains dedicated to standing by the RAF Family through all of life's challenges. No matter what the future holds, the Fund is committed to being there for those who have served and continue to serve our nation.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Duke of Kent'.

HRH The Duke of Kent
KG GCMG GCVO CD
President, RAF Benevolent Fund

ABOUT US

We are the RAF Benevolent Fund, dedicated to standing by veterans, serving personnel, and their families, including those in our bereaved community, through their most challenging times.

We're here to empower members of the RAF Family to seek assistance whenever it is needed to improve their quality of life, independence and wellbeing.



OUR VISION

Everyone in our RAF Family – veterans, serving personnel and their families – gets support in their hour of need.

OUR PURPOSE

To be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support.

OUR VALUES



Empathetic

We listen and seek to understand, standing side-by-side with the RAF Family.



People-focused

We put people at the heart of everything we do.



Responsive

We do what we say we will do, and use evidence and insight to adapt to changing needs.



Inclusive

We work hard to ensure everyone feels valued and supported, and make ourselves accessible.



Innovative

We are forward-leaning and encourage new ideas and approaches to remain relevant.

OUR KEY WELFARE GOALS FOR THE RAF FAMILY



Improved access to personalised support



Improved quality of living



Increased independence



Enhanced wellbeing

PUBLIC BENEFIT

When reviewing the Fund's aims and objectives, and in planning future activities and policies, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging.

All of our services are either free or heavily subsidised. Where we ask for contributions, for example towards the costs of living in one of our Housing Trust properties or respite breaks, we always take beneficiaries' means into account. No member of the RAF Family should be prevented from accessing our services because they can't afford the full cost.

By giving grants to other charities, we also enable them to maximise their public benefit in support of the RAF Family.

PROGRESS AGAINST OUR STRATEGIC PRIORITIES

We continued to make great progress with our strategy. The strategy responds to the immense challenges and changes the RAF Family has faced in recent years to ensure we can support veterans, serving personnel, and their families, including our bereaved community, for years to come. Our strategy identifies the key needs of the RAF Family and opportunities to meet them so we can continue to provide life-changing support.

Our strategy has five areas of priority and has identified four welfare goals; we are pleased to continue to make significant progress in each of them. However our ambition runs deep, and we look forward to achieving even more in the years to come.

Priority 1: Providing more hands-on, tailored support to the RAF Family to help them through the journey to support

This year we supported more than 42,200 members of the RAF Family, from the age of three months to 103 years old, to improve their quality of living, increase their independence and enhance their wellbeing.

We regularly receive high rates of satisfaction which links to our ongoing work to increase access to personalised, tailor-made support for veterans, serving personnel and their families, no matter how complex the need or where in the world they are based.

Our triage and caseworking teams continue to make the journey from initial contact to receiving comprehensive support smoother and easier for our beneficiaries. Our data

shows that this approach continues to ensure individuals are satisfied with the way they are supported throughout the process – read more about our achievements on pages 12–13.

Our external case working team, located across the UK, comprises seven Welfare Support Executives (WSEs). Together, they conducted over 500 holistic assessments and support plans for individuals across a broad range of cases. In 2023, their work helped members of the RAF Family access support more quickly.

We have continued evolving and enhancing our safeguarding approach. This has been driven by continuous improvement that has delivered enhanced reporting and recording of incidents, introduced more targeted staff and volunteer training, expanded staff supervision, and provided staff and volunteer access to a telephone advice group, when their line manager is not available. We continue to work closely with our partners and external service providers to ensure that their safeguarding processes are appropriate and that they strengthen the Fund's overall approach. All this is essential for a safe, focused, and supportive beneficiary journey.

Priority 2: Strengthening our community engagement to be present in more communities and engage locally more effectively, including expanding our volunteering programme and building a regional support capability

We know that our presence in communities helps us encourage more RAF Family members to approach us for support.

Working in these communities has enabled us to closely monitor the needs of serving personnel, veterans and their families so we can tailor our services to ensure they have the most impact on people's lives.

Our Community Engagement Workers (CEWs) help us to deliver this strategic priority. They help RAF Family members to reconnect through meaningful and regular social activities, reducing loneliness and social isolation. In addition to delivering the programme of regular activities, our CEW team expanded significantly in 2023 with the augmented Cambridgeshire Dementia Reminiscence Group and two new groups in Kent and West Sussex, funded by the Armed Forces Covenant Fund Trust (AFCFT). The Reminiscence Groups allow members of the RAF Family with dementia to share life experiences, memories and stories from the past, giving them an opportunity to stimulate their cognitive abilities through the shared reminiscence of service life. The groups aim to reduce social isolation and the associated risk factors such as physical frailty in vulnerable members of the RAF Family, and to increase overall wellbeing.

Our Group Friendship breaks connect us with RAF Family members in the community; four of these were delivered in 2023 by our CEWs. The breaks alleviate the daily stressors of life for RAF veterans and enhance their overall wellbeing whilst providing the chance to get away, meet new, like-minded people from RAF backgrounds and relax and improve their mental as well as physical health. Of those surveyed, 97% said the break positively impacted their life. Individuals who met on these breaks have formed friendships and meet up independently. Our flagship breakfast club at the International Bomber Command Centre (IBCC) in Lincoln, grew significantly in 2023 and now has over 40 regular members.

We laid the foundations to expand our integral volunteering programme and increased the opportunities for our community to get directly involved with

the work of the Fund. With new systems in place, we have been able to increase our engagement with our current volunteers and develop a variety of opportunities in fundraising and our welfare services. In September 2023, we launched new volunteer roles supporting community engagement groups and in December opened the doors and began recruiting new volunteers. We deeply appreciate the support of our volunteers and look forward to increasing the impact for the RAF Family as the programme expands.

Priority 3: Increasing fundraising income by investing in building our donor database through direct marketing, as well as building long-term, committed relationships with a portfolio of higher-value corporate partnerships and philanthropists

Our aim remains to grow our fundraised income to £19.4M by 2026, to ensure we can continue to support the RAF Family when they need it most and make the Fund sustainable for the future.

Staffing challenges in early 2023 impacted our ability to carry out some planned activities. Additionally, the backlog in probate cases also impacted our legacy income. However, we ended the year with 2,000 more regular givers than we began the year with. We were also selected as one of The Telegraph's charities for their Christmas appeal which generated over £100K in total. Despite the cost-of-living crisis, we were delighted that our supporters helped us to raise £14.1M from donations, legacies and fundraising activities to improve the lives of the RAF Family. You can read more about our fundraising in 2023 from page 21.

Priority 4: Placing a greater emphasis on insight, impact and innovation so we can make effective, evidence-based decisions at the right time and be proactive about adapting our strategy

All our decisions on how we best support the RAF Family now and in the future are evidence and data led to ensure that we are doing our best to meet their needs and using our funds raised to deliver the best impact. During 2023, we made further progress in achieving this. For example, we used insights and data to improve many of our services through our regular feedback surveys, which are distributed after an individual has received support.

We embarked on a research project to explore the barriers that people within the RAF Family experience in coming forward for support. Researchers conducted interviews with RAF serving personnel, their partners, and veterans, identifying several key themes. This research will be used to inform how we can continue to improve accessibility to our support.

A substantial part of 2023 was dedicated to innovation. Teams from across the Fund came together to review our operating model and to identify how we can enhance and improve our processes. For example, we identified the need to further improve our beneficiary journey process including the development of a single point of contact. We identified the need for a comprehensive process that could triage, sign-post and provide an onward referral service for all phone, e-mail and social media enquiries. We also identified the opportunity for enhanced engagement and communication with the serving RAF, to enhance the Fund's presence and influence on units. Thirdly, we identified the need to review the form and function of our welfare delivery. We will be taking some of these opportunities forward in 2024.

Priority 5: Developing greater collaboration and partnership so we reduce duplication and achieve our aim of being sustainable for the future

We continued to work hard throughout the year to partner and collaborate with other organisations, where this benefits the RAF Family and makes us more efficient and effective.

As part of our commitment to Iraq and Afghanistan veterans through Op RAF Unite, we have continued to work closely with our project partner, the Royal Air Forces Association, and launched a series of pilot events. These events provided comradeship and wellbeing support for veterans. With the agreement of the Armed Forces Covenant Fund Trust, we will continue to support this group through existing services whilst maintaining the opportunity to provide bespoke events where there is a need.

We endeavoured to make sure other organisations were fully informed about what the Fund offers and able to refer RAF Family members to us. This included briefing the new SSAFA branch structure; being a key part of the caseworker training programme; and briefing the RAF HR course on the support the Fund can provide to them and their people as well as briefing all new RAF recruits. We remained a key member of the Confederation of Service Charities (Cobseo) and played an active role in many of the cluster groups, including the Executive Committee. We attended local events and gave presentations to veterans' associations which also helped spread the word about how we can help the RAF Family.

Sharing knowledge and insights with other service charities helps us all use our resources more effectively and provides better support for everyone in the Armed Forces community. We also continued to support Lightning, the online application portal, and worked with an increasing

number of charity partners. As a result, we are leading the way to enhance provision to the RAF Family, it allows people applying for our support to manage their own application, so they can get help more quickly and easily.

Our Benefits Advice Team played a leading role in the Armed Forces Welfare Rights Group, which involves working closely with a group of charities to discuss benefits directly related to the Armed Forces serving and veteran personnel and to ensure that veterans' needs are better understood and represented. The team also has a close relationship with the Department of Work and Pensions (DWP). Our Benefits Advice Team advised on many veterans' issues and their influence is such that the team authored DWP guidance on service pensions and universal credit.

FUTURE DIRECTION

Our strategy is progressing well and we remain committed to focusing on our five priorities now and for the foreseeable future. We are prepared to adjust our priorities as necessary, depending on the external environment, demonstrating our responsiveness to evolving needs within the RAF Family. We will continue to evaluate the impact of our services including feedback from our Lived Experience Network and, importantly, our upcoming research into the needs of the RAF Family. By maintaining this adaptive approach, we aim to provide impactful support to those most in need.

OUR SUPPORT IN NUMBERS

42,259 members of the RAF Family were supported

£19.1M* total spend around the world†

27,862 serving personnel were supported by spending **£6M**

14,397 veterans were supported by spending **£13.1M**

5,634 people were given financial assistance to help them through tough times

4,859 people were supported by us giving them information or answering their enquiry

1,868 people were given advice on benefits

172 people were supported through our Advocacy service

275 people were supported by a Community Engagement Worker

362 people of the RAF Family were residents of our Housing Trust

1,728 people were provided with an Electric Personal Vehicle (EPV) or a wheelchair

3,429 people were reached through grants we gave to other organisations

12,127 people were reached through grants we gave to RAF Stations and Units

2,947 children and young people were registered with our youth support programme, Airplay

2,206 people were supported through with their wellbeing through our Listening and Counselling Service

1,261 people were supported with relationship services

309 people were supported through a Telephone Friendship Group

7,497 people were supported through the provision of the mindfulness app Headspace

41 people were supported through our Thrive programme for partners of serving personnel

186 people were given legal advice

467 people were supported through a break for serving families

164 people were supported through a welfare break at our holiday home, The Folly

76 people were supported through a Group Friendship Break

254 people were supported through the Disabled Holiday Trust

19 people were supported through the Dependants Fund

214 people were supported through the Dependants Income Trust

12% increase in people supported by independent living grants

28% increase in grant volumes to support serving personnel and their families

*includes the £3.5m cost of properties purchased to support beneficiaries with specific needs

† This figure does not include those that have received more than one area of support from the Fund. When the multiple requests have been included, the figure is 44,500+

PROGRESS AGAINST OUR WELFARE GOALS

The priorities detailed on pages 8–11 guide the work that we do and allow us to deliver our four welfare goals which underpin all of our service delivery.

GOAL 1 OFFERING BETTER ACCESS TO PERSONALISED SUPPORT

A key element of our strategy is that every member of the RAF Family in need can receive personalised support from us quickly and efficiently. Our triage team provided the first point of contact and they ensured that 7,650 direct welfare enquiries were provided with bespoke and focused support to ensure a smooth journey for anyone who gets in touch with the Fund.

We continued to see the impact of the team's work, with 81% of those surveyed reporting that their initial contact with the Fund was 'Very easy' or 'Easy'. 73% also reported being 'Very satisfied' or 'Satisfied' with their initial contact with the Fund. We have improved the numbers moving from enquiry into support from 33% to 77%. Of those that went on to receive support, 82% were converted within three months; the work of our triage team was key to this improvement.

Our caseworkers, located across the UK, supported beneficiaries with multiple and more complex problems. These ranged from serious debts to homelessness and mental health issues. Our caseworkers handled 44% of all caseworking enquiries, nearly double the quantity in 2022. By using our own caseworkers, we have shortened the average time for people waiting for support, turning enquiries into applications. In 2023, 98% (2022: 88%) of people surveyed who received support from one of our caseworkers said they were either 'Very satisfied' or 'Satisfied'.

Our work to increase access to personalised support has meant we are meeting more of the RAF Family's needs faster and increasing their satisfaction. In 2023, 97% (2022: 88%) of the people surveyed were either 'Very satisfied' or 'Satisfied' with the service they received, and 93% of beneficiaries felt that the help they had received from the Fund had improved their quality of life.



In 2023,
97%
 of the people surveyed were either 'Very satisfied' or 'Satisfied' with the service they received and
93%
 of beneficiaries felt that the help they had received from the Fund had improved their quality of life
 Over
£0.7M
 total spend

GOAL 2 IMPROVING THE RAF FAMILY'S QUALITY OF LIVING

Throughout the year, we continued to see the significant impact of the cost-of-living crisis and high fuel bills affecting the RAF Family. For veterans, serving personnel, and their families, we were there with grants and advice to pay for the essentials in life.

Demand for our financial support meant that it continued to be a significant part of our offering, and the Fund assisted over 6,500 beneficiaries with improving their quality of life. Our Home Fuel Grants (HFGs), introduced in 2022, continued to be required and we were ready to respond by providing over 500 HFGs. Across 2023, grants totalling £5.7M were awarded to veterans, serving members of the RAF and their families to support them through this challenging time.

With higher numbers of working age beneficiaries needing our help than in previous years, it showed that no one was immune to the cost-of-living crisis. Our data showed that there was a 9% increase in grants to working-age members of the RAF Family compared to 2022. Of those who received financial assistance, 96% said it improved their quality of life and 83% indicated that the support they received from the Fund had fully met their needs or that they had been significantly helped by the assistance they received.

For many, the cost-of-living crisis reduced their ability to pay for essential house repairs, including new boilers. Our survey showed that 94% of those who received a housing-related grant reported that it had improved their day-to-day living. We spent £290K on care-home top up fees for those who wanted to live in a place which was suitable for their specific needs and health issues, as well as providing a good quality of life.

As with previous years, many people looked to the welfare benefits system for support. Our Benefits Advice Service was on hand to help more people navigate this sometimes-complex area and provide personalised advice that allowed beneficiaries to maximise their statutory income. Our team identified £2.2M in unclaimed benefits for the people who came to us. 91% of people surveyed reported that the advice given had been 'Very easy' or 'Easy' to understand and an impressive 85% were able to make benefits claims thanks to the advice they received.

Our free legal advice helpline continued to provide guidance and support on issues ranging from employment to family law. In 2023, 186 beneficiaries received support and of those who provided feedback after receiving legal advice, 92% reported acting or partly acting on the advice and 72% reported that their state of mind had improved.



The Fund increased the number of beneficiaries seeing their quality of living improve by
6%
 spending over
£5.7M
 and a further
£2.2M
 identified in benefits advice

GOAL 3 INCREASING INDEPENDENCE

We don't believe anyone who has served their country should have to struggle due to disability, injury, advancing years or leaving the service. We enable RAF Family members to cope with these challenges and to have lives that are as full, independent and as happy as possible

The Fund assisted over 3,365 members of the RAF Family to increase their independence, an increase of 2% on 2022. For those who had received mobility/care equipment and responded to the feedback survey, 85% reported that the help they received from the Fund contributed to their comfort and 88% reported that they used the equipment either every day or most days. Of those who indicated a need with mobility outside the home, 90% indicated that the need had been fully met or they had been helped a lot by the assistance they received.

We specialise in providing advocacy in several areas, including care services issues. The Fund acted on behalf and argued in favour of RAF Family members facing problems including getting a care assessment, funding for care and more. Advocacy cases resulted in identified savings of £737K to beneficiaries, an increase of £48K to the year before. For those who accessed the Advocacy Service, and responded to the survey, 90% reported being 'Very satisfied' or 'Satisfied' with their overall satisfaction with the service and 93% reported that their quality of life had improved 'a lot' or 'quite a bit'.

Since 1974 our Housing Trust has provided suitable and adapted housing for veterans and serving personnel who have experienced life changing injuries and need to leave the service early. In 2023, we adopted a new benchmark for affordable rental income, which, in comparison to private rental sector costs, provides a total annual benefit of £933.5K to 362 RAF Family members living in 200 Housing Trust properties.



The Fund increased the independence of

3,365 members of the RAF Family, with a

12% increase in independent living grants to a value of

£7.6M

GOAL 4 ENHANCING WELLBEING

During these challenging times, supporting the RAF Family's wellbeing has never been more important. Throughout 2023, we helped over 14,700 veterans, serving personnel, and their families – 900 more than in 2022. Our efforts ranged from helping people with mental health challenges through our Listening and Counselling Service, relationship support, our Telephone Friendship Groups and the Airplay programme for children and young people of serving families. These initiatives have significantly enhanced mental wellbeing, resilience, friendships, connections, and relationships.

IMPROVING MENTAL HEALTH AND RESILIENCE

Over the past year our Listening and Counselling Service supported over 2,200 individuals, helping them address their problems effectively. Among those surveyed, 94% felt the counselling positively affected their lives, and 80% demonstrated significant improvements in their mental health.

Additionally, we helped more than 1,200 people access relationship support and mediation through Relate, marking a 5% increase from 2022. Of these, 75% reported that their situation had improved, and 68% noted improvements in their mental wellbeing.

For the serving community, we continued to offer free membership of Headspace, an award-winning meditation and mindfulness app. Headspace provides practical tips and exercises to relieve stress and to help stop more serious mental health problems from developing. Nearly 7,500 RAF Family members enjoyed Headspace throughout the year, an increase of over 350 on 2022. The results were overwhelmingly positive; 98% reported they were 'Very satisfied' or 'Satisfied' and 95% reported improved mental wellbeing after using the app.

Last year our Airplay programme, delivered at no cost to the Ministry of Defence, continued to provide safe, stimulating, and exciting youth development activities for children and young people. The number of young people registered on the programme in 2023 rose 15% compared to 2022 to over 2,900 across 24 RAF stations.

Working with our delivery partners One YMCA, members enjoyed 7,500 hours of fun activities and Airplay was shortlisted for two National Awards. Our surveys showed 82% of members 'Strongly agree' or 'Agree' that Airplay makes them feel more confident, 83% 'Strongly agree' or 'Agree' that Airplay helped them to make new friends and 71% 'Strongly agree' or 'Agree' that Airplay has helped them to settle when moving to a new Station.



The Fund experienced its 5th year of continuous growth in this area, helping **14,776** beneficiaries.

Telephone Friendship Group impact has been high with

81% of those engaging with the service reporting that their sense of happiness had improved, and

54% of those engaging with the service reporting feeling less lonely.

Our Ben Play and Ben Parenting programme remains very popular, supporting 3,750 parents and very young children across 14 RAF Stations. The programme provides Stations with the means to run activities such as parent/baby yoga, post-natal exercise classes, fun interactive music classes, first-aid training, and enjoyable and stimulating play sessions that deliver a very positive effect on the wellbeing of parents and children. Feedback is universally positive with many RAF Stations reporting on how Ben Play and Ben Parenting is directly addressing the social isolation felt by many young families.

We also continued our Thrive workshops for partners of serving RAF personnel to improve their wellbeing, resilience, employability and, ultimately, quality of life. We delivered one Thrive workshop, over four 90-minute sessions on consecutive weeks and four 90-minute interactive webinars. Despite the reduction in overall provision, we supported 40 individuals compared to 50 in 2022.

BUILDING CONNECTIONS

Following the expansion of our CEW service, we assisted over 300 people through regular activities and the three RAF Dementia Reminiscence Groups. The seven regular activities secured 1,162 attendances and delivered four Group Friendship Breaks for 76 beneficiaries. For those who were surveyed, 89% felt that the break had improved the quality of their personal/family relationships and 90% reported an improvement to their emotional wellbeing.

Of those who entered the CEW service, 76% are now engaged in a regular meaningful social activity which is an increase from 60% at the end of 2022. Of those who responded to the survey, 91% reported overall satisfaction with the service and 84% reported an improvement to their quality of life. Last year was the first full year of the UCLA Loneliness Scale as an impact measurement. It is a rating scale that measures the subjective experience of loneliness. The impact of CEWs is evident, with 54% of those who have contact with a CEW (and where we are able to match before

and after scores) showing a decrease in a recognised loneliness measure, this means that those 54% have reported feeling less lonely since the CEW intervention.

Our Telephone Friendship Groups (TFGs), which are calls that connect up to six people at the same time each week for up to an hour with the aim of reducing social isolation and loneliness, supported 309 people. For TFG members, 85% reported an improvement in their quality of life and 81% reported that their overall sense of happiness had improved, indicating strong impact being achieved.

PROVIDING BREAKS

When things get tough it is often difficult for people to spend quality time with their families. We saw a 160% increase in the number of people on wellbeing breaks, in part thanks to the Fund's holiday cottage, The Folly in Bridlington, which saw 164 beneficiaries enjoy time away with family. For those we supported from the serving community, 98% told us that the break had improved the quality of their personal/family relationships and 98% felt a significant improvement in their personal and family relationships. Additionally, 95% reported a notable enhancement in their emotional wellbeing.

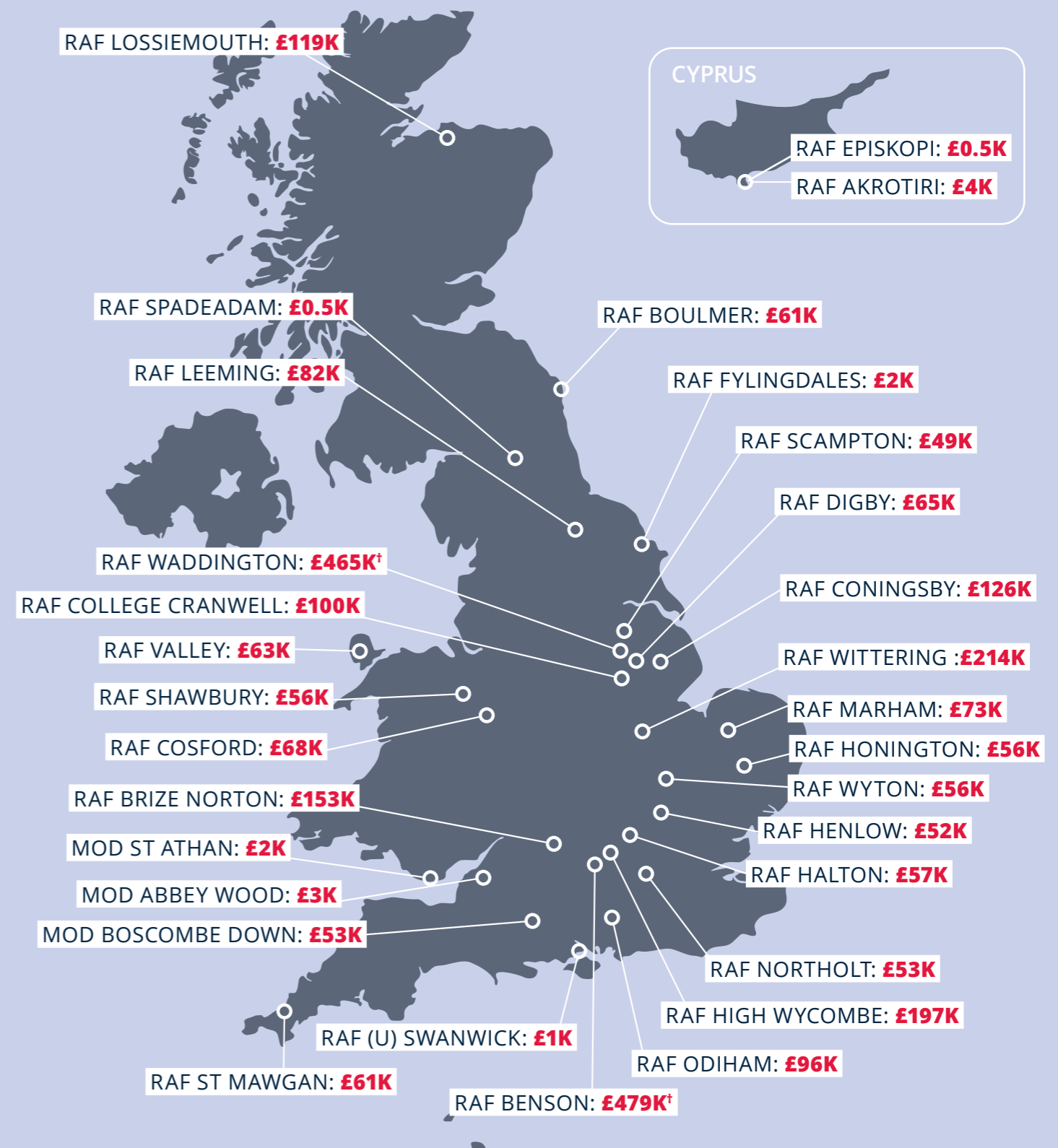
Our Disabled Holiday Trust (DHT) continues to offer accessible holiday accommodation for people with physical disabilities. Of those who went on a DHT break in 2023, 98% reported satisfaction with their break and 98% said the break had made an improvement to their quality of life.

SUPPORTING CHILDREN, YOUNG PEOPLE AND FAMILIES

Over the last two decades, the Fund has invested over £40 million in supporting children and young people across the RAF. The Fund's capital investment in building and refurbishing 23 childcare centres and 40 play parks and multi-use games areas, as well as providing 7,000 hours of youth work every year through our Airplay programme, continues to deliver enduring and significant benefits across the RAF.

SUPPORT FOR THE SERVING COMMUNITY

In 2023 we supported over **12,000** serving personnel and their families by awarding grants to the value of **£4.7M***. This involved awarding grants and wellbeing support to individuals to help them through tough times, provision for Airplay and grants to stations for a wide range of projects such as building refurbishments and wellness activities.



* Does not include enabling costs.

† Includes a property purchase.

WORKING IN PARTNERSHIP

EXTERNAL GRANTS

Every year we give grants to charities and other organisations that provide direct and targeted assistance to the RAF Family, to help with the cost of delivering services and activities. This includes grants to support with employment, homelessness and substance misuse to help fill in the gaps statutory services are unable to fulfil.

Partnering with other remarkable charities allows us to extend extraordinary support to the RAF Family, broadening our reach to every corner of the UK and beyond.

We partnered with organisations making a difference to our RAF Family spending a total of £393K. Below is a selection of some of the grants we awarded:

Combat Stress
£81K

Forces
Employment
Charity
£55K

RAF Widows'
Association
£36K

SSAFA
£21K

Care for
Veterans
£20K

The Poppy
Factory
£16K

RAF Families
Federation
£15K

Defence
Medical Welfare
Service (DMWS)
£10K

Scotty's Little
Soldiers
£10K

University
Hospitals
Birmingham
Charity – Fisher
House
£10K

We Are With
You
£10K

Team
Endeavour
Racing UK CIC
£5K

Veterans
Outdoors
£4K

CASEWORKING PARTNERS

An important part of supporting our beneficiaries is assessing the needs of an individual and then deciding on the best ways to support them. We work collaboratively with many and varied organisations, both nationally and internationally, who have referred a case to us and help us to distribute financial grants to our beneficiaries on our behalf. We are grateful for their help and support in reaching our beneficiaries, enabling us to provide comprehensive support to the RAF Family.

SCOTTY'S LITTLE SOLDIERS



In 2023, we supported Scotty's Little Soldiers, a charity supporting children who have experienced a parent dying while serving in the Armed Forces, with a grant of £10K.

Lexi, now 15, carries the legacy of her father, Sgt Ollie Pallett, who bravely served in the RAF for 22 years, including tours in Iraq and Afghanistan. Tragically, Sgt Pallett passed away by suicide in 2020, when Lexi was just 11 years old. In the wake of this loss, Lexi found solace and support through Scotty's Little Soldiers, an organisation dedicated to assisting children who have lost a parent serving in the British Armed Forces.

"We are hugely grateful for funding from the RAF Benevolent Fund," said Andy Sloan, Head of fundraising at Scotty's Little Soldiers. "Scotty's supported 83 children and young people in 2023 who had a parent who had served in the RAF – and two young people who had a parent who served in the RAF Reserves – you've helped us make a HUGE difference and impact."

FUNDRAISING

In 2023 we raised £14.1M to be there for RAF Family members needing vital support, filling gaps to ensure people are fully supported. This was £2.6M less than in 2022 due to a drop in legacy income.

As we look back over the past year, we are grateful to those whose generosity enabled us to provide essential assistance to more than 42,200 veterans, active duty personnel, and their families in 2023.

Our fundraising efforts encountered challenges due to the ongoing cost-of-living crisis and turbulent times. We anticipate that the impact from the crisis will continue in 2024, leading to an increased demand for our services and a need to fundraise even more.

We sincerely thank each individual and organisation that has contributed to our cause this year; your support is crucial to our continued success in helping people in their hour of need.

LEGACIES

In 2023, we were very grateful to receive £9.1M in legacies. This represents our largest form of income for the Fund. We had 4,153 (2022: 1,011) people expressing an interest in leaving a gift in their will or letting us know they have done so.

PARTNERS, GRANTS AND HIGH-VALUE GIFTS

We raised £1.3M from partners, grants and high value gifts, and we were proud to have continued support from a number of long-term corporate supporters such as Exolum, BAE Systems, MBDA and Midshires Powerchairs. We are also grateful to have received grants from trusts and foundations, such as The Ada Hillard Charitable Trust, the MacRobert Trust and the Wimbledon Foundation.

SUPPORT FROM SERVING RAF PERSONNEL

We are grateful to see serving personnel continue to look after their own, recognising the support that the Fund can offer when it is needed most. Through the Service Day's Pay Giving scheme, serving personnel contributed an amazing £1.6M in 2023.

INDIVIDUALS

We are grateful to have been supported by thousands of people who donated to the Fund throughout the year. Whether it was through responding to our appeals, making an online donation, playing our weekly lottery, purchasing our merchandise either online or at an airshow or being one of our 7,000 committed regular givers – thank you. Collectively, you raised £2.1M in 2023.

THE TELEGRAPH CHRISTMAS APPEAL

We were delighted to be selected as one of the Telegraph's charities for their 2023 Christmas appeal raising over £100K for the Fund which will enable the organisation to fulfil programmes and our work to ensure that we reach as many members of the RAF Family.

COMMUNITY FUNDRAISING

2023 was a fantastic year for community fundraising across the country. We were able to raise £555K, a 33% increase on 2022.

Throughout the year, we saw supporters raise funds for the Fund by walking, running, and even cycling from Vietnam to Cambodia!

The team has grown as we continue to connect with individuals, groups and communities across the country.

SPECIAL THANKS TO OUR DAMBUSTERS RIDERS

We would like to thank everyone who took part in The Dambusters Ride in Lincolnshire in May 2023. This dedicated group of cyclists raised an incredible £72K.

WORKING WITH FUNDRAISING SUPPORT AGENCIES

We are particularly conscious of the need to take care when interacting with individuals who are, or may be, vulnerable and we require all staff and agencies we work with to follow our Potentially Vulnerable Donors policy. We also ensure that the fundraising agencies we partner with have policies and procedures consistent with the requirements of our own.

We work with selected agency staff who work on our behalf and receive initial and regular ongoing training which ensures they are given detailed information about the work of the Charity, understand the regulations governing professional fundraising, and are equipped with the skills necessary to fundraise responsibly and respectfully.

FUNDRAISING COMPLIANCE AND SUPPORTER PROMISE

When fundraising we comply with all relevant laws and regulations including the Charities Act 2011 and 2022, the Charities (Protection and Social Investment) Act 2016, the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003. Our Board of Trustees closely monitors our fundraising activity and performance alongside the fundraising management team.

We also comply with the regulatory standards for fundraising, including guidance published by the Charity Commission. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, compliance with the Fundraising Preference Service and adherence to the Code of Fundraising Practice. In 2023 we

paid the Fundraising Regulators Fundraising Levy, a voluntary payment to help fund the organisation to regulate the charity sector's fundraising activities.

We are fully committed to the principles we lay out in our fundraising promise:

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously. In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for us with confidence and trust that their hard work will make a difference.

We are open, honest and transparent

We promise to be open, honest and transparent in relation to our fundraising and, as importantly, in how accurately we represent members of the RAF Family in the materials we produce. We engage them in planning and ensure we have sign-off before the materials are made available to supporters or the public.

We are respectful

In our fundraising materials, or in conversation, we show respect and we promise never to pressurise anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly. Importantly, we do not and never have shared our supporters' details with any other charity or business. Following the introduction of the General Data Protection Regulation in 2018, we only communicate with supporters who have given us express permission to maintain contact with them. We keep supporters up to date with our work in a way and at times that suit them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

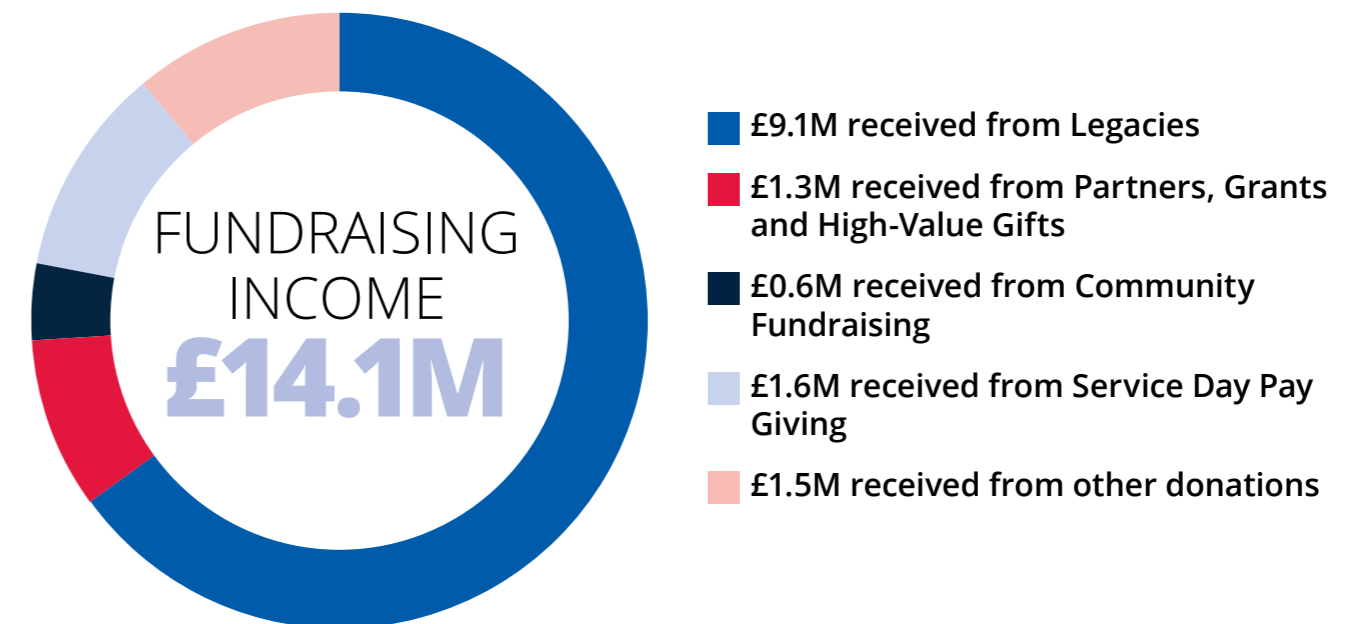
We are accessible

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences or ask a question about our work or how we spend their donation, we

welcome their phone call, email or letter. We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activities. This is available on our website or by contacting the fundraising team at hello@rafbf.org.uk. We will help supporters to take their complaint to the Fundraising Regulator if they feel we haven't responded suitably.

We received 17 complaints about our fundraising activity in 2023, six of which related to our telephone fundraising campaigns. In total our telephone fundraising partner spoke to approximately 27,000 individuals on the phone last year. Each individual complaint we receive is taken seriously and investigated, with remedial action taken where required.

There were no instances we referred to the Fundraising Regulator in 2023.



GRANT MAKING

As part of our vital work supporting the RAF Family, we provide financial support and grants to eligible people in times of difficulty. Our grant making is means tested to ensure that those most in need benefit from our support. We also provide non-financial services which any member of the RAF Family can access. Our welfare strategy is guided by research, underpinned by impact frameworks, and we measure its results through evaluation and outcomes.

Where we can, our grants support the RAF Family with unexpected and unaffordable one-off costs, priority bills and debts, and regular and temporary financial assistance. We also provide grants for domestic assistance to help RAF Family members live independently at home, and grants to help people who are isolated take part in social activities and to make the connections they need. We provide mobility and disability equipment and help with care top-up fees too. We always try to help people in need as much as we can. For some, this will involve a small grant, support or advice. For others, our support is much greater. Above all, we try to be caring, supportive and compassionate in all we do.

RAF Family members can apply for individual grants throughout the year and our own network of Welfare Support Executives is available to help with more complex applications.

Serving members of the RAF can apply through their station Personal Support teams, who have some delegated powers to give out smaller financial grants for immediate needs. While we will always consider the station staff's recommendations as part of our holistic approach to welfare, we are not limited by them and quite often are ready to provide additional support where there is a need.

To make our grants more accessible, and extend the reach of our support, we have an online portal to assist with applications for sums up to £750. We can involve caseworkers if an RAF Family member needs more support, or we can see that there is a bigger problem that needs addressing and we can help with.

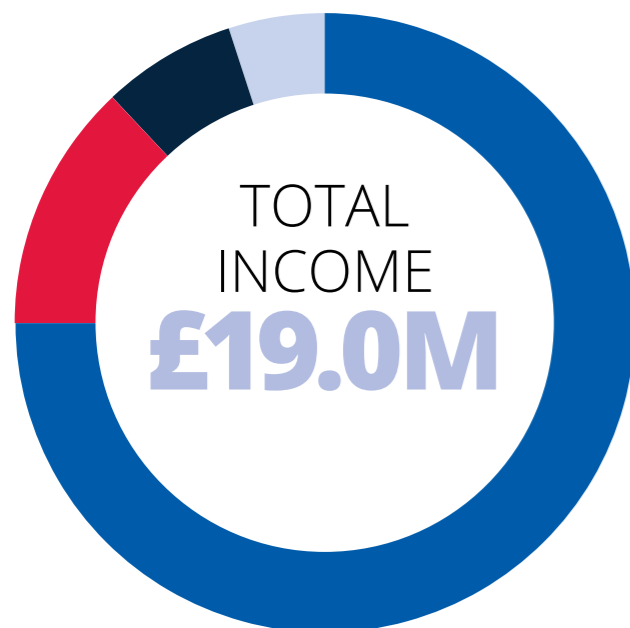
THANK YOU TO OUR DONORS AND SUPPORTERS

We are immensely grateful to our donors and supporters, a few of whom are listed below. Your generosity has made a significant impact and we cannot thank you enough.

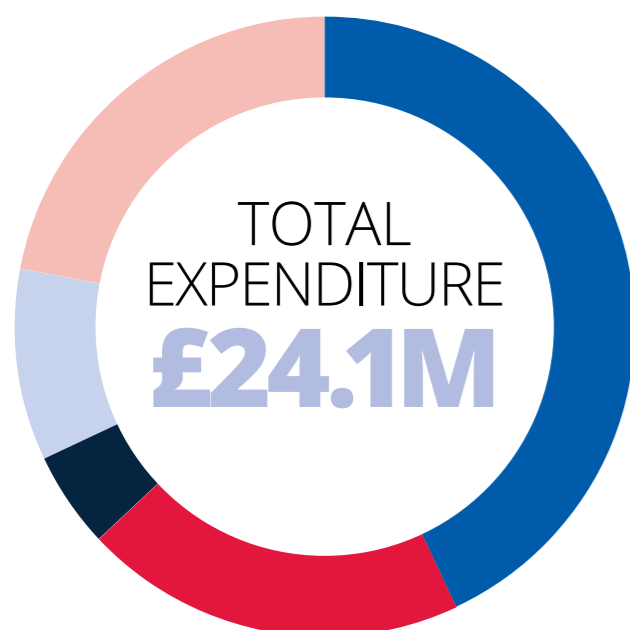
2Excel Aviation	MBDA UK
Ada Hillard Charitable Trust	Medlock Charitable Trust
Adrian Swire Charitable Trust	Midshires Mobility Group
Armed Forces Covenant Fund Trust	Mr and Mrs Colin Blowers
BAE Systems	Mr and Mrs John Kyle
Bryan Smith and Team – The Spitfire Experience	National Lottery Community Fund, Young Start programme
Charles Burrell 2016 Charitable Settlement	Pascal Fournier
Corps of Commissionaires Management Limited	RAFA Formby
Coysh Family Charitable Trust	Ray Daniels
Donagh McCullagh	Red Arrows Trust
Drapers' Company	Rowland Betty Memorial Trust
Grayson Ditchfield	Royal Edinburgh Military Tattoo
Group Captain Lionel Rees VC OBE MC AFC	Scottish Government Armed Forces Third Sector Resilience Fund
Exolum International Group	Thales Charitable Trust
Identity Group	The April Fools' Club
James Weir Foundation	The Beaujolais Run®
J H Bartlett Charity Trust	The Inter-Livery Target Rifle Shoot
John Isabel	Wimbledon Foundation
Lockheed Martin UK	
MacRobert Trust	

We would like to thank our 231 legators who left gifts in their Wills in 2023.

FINANCIAL HIGHLIGHTS



- Fundraised income: £14.1M/75%
- Investment income: £2.5M/13%
- Charitable activities: £1.4M/7%
- Other income: £1.0M/5%



- Direct support to individuals: £10.4M/43%
- Welfare programmes and grants: £4.9M/20%
- Respite care: £1.2M/5%
- Housing Support: £2.4M/10%
- Generating income: £5.2M/22%

FINANCIAL REVIEW

The financial outcome for the year ended 31 December 2023 is set out in the "Consolidated Statement of Financial Activities" on page 42.

2023 marked the second year of our strategy; building upon a successful inaugural year that had secured financial outcomes benefitting the RAF Family and setting us on a path toward long-term financial sustainability. However, the external environment and inherent strategic risks continued to pose challenges. These risks included higher-than-expected demand for our services, rising costs, the ongoing cost-of-living crisis despite falling inflation rates, difficulties in achieving our fundraising goals, and uncertainty in the investment markets.

Throughout the past year, we encountered significant income challenges. We raised less money while supporting 10% more members of the RAF Family compared to the previous year. This was primarily due to increased support for working-age and serving beneficiaries impacted by the cost-of-living crisis. Our total income fell to £19.0M, a 21% decrease from the £23.9M reported in 2022. This drop was mainly driven by reductions in legacy income and profits from the sale of Housing Trust properties, both of which had been exceptionally strong in the previous year. As a result, we utilised some of our designated funds at the start of the year to support our charitable activities.

Total expenditure for the year rose to £24.1M, up from £22.5M in 2022, marking a £1.6M or 7% increase. Of this, £5.2M was spent on raising funds, a £0.2M or 4% increase, while expenditure on charitable activities amounted to £18.9M, representing a £1.4M or 8% increase year on year. Our overall net expenditure before accounting for investment market gains was £5.1M, in stark contrast to the £1.4M net income recorded in 2022. Despite these challenges, we saw unrealised gains on our investments totalling £4.7M, a significant recovery from the £8.7M unrealised loss experienced in the previous year.

INCOME OVERVIEW

Breaking down our income, we reported a total of £19.0M compared to £23.9M in 2022, reflecting a £4.9M or 21% decline. Notably, 74% of this income (up from 70% in 2022) came from voluntary sources. Income from donations and legacies, as detailed in note 2 to the financial statements, included contributions from individuals, the serving RAF, corporate partners, and trusts. Additionally, income from charitable activities was primarily derived from rent received from Housing Trust properties.

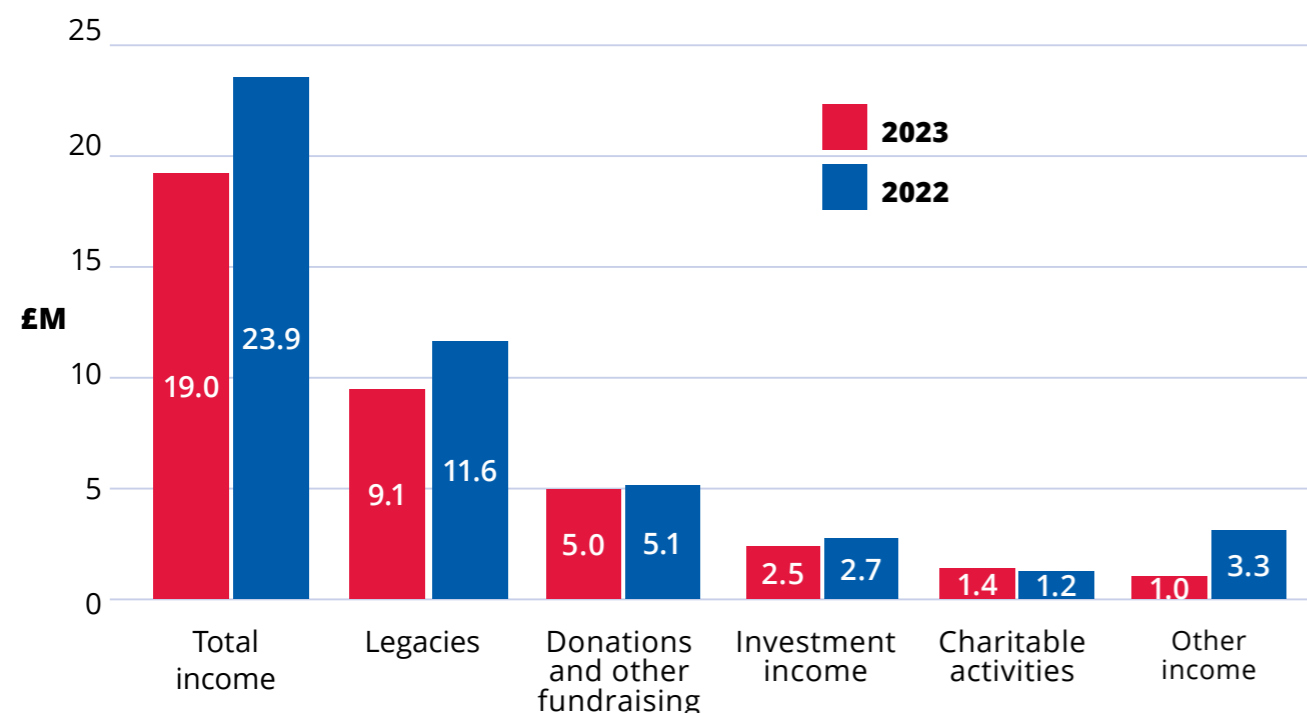
The movements in our main income sources are detailed in the table below:

	2023	2022	Change	
Income from	£M	£M	£M	%
Legacies	9.1	11.6	-2.5	-22%
Serving RAF	1.6	1.6	-	-
Other fundraising	3.4	3.6	-0.2	-6%
Charitable activities	1.4	1.1	0.3	27%
Property disposals	0.8	3.1	-2.3	-74%
Investments	2.5	2.7	-0.2	-7%
Other income	0.2	0.2	-	-
	19.0	23.9	-4.9	

The RAF Benevolent Fund experienced significant decreases in income during 2023, particularly in legacy income and the profit from the sale of Housing Trust properties.

Legacy income fell from £11.6M to £9.1M, a substantial £2.5M (22%) drop. The reduction was attributed to fewer notifications received compared to previous years and delays in the probate system, as reported by the Courts and Tribunal Service (HMCTS), which affected the receipt of bequests by charities.

INCOME £19M



The profit from the sale of Housing Trust properties also saw a decline, with profits amounting to £0.8M, a decrease of £1.4M from the £2.1M earned in 2022. This drop was due to the completion of only five out of 14 property sales in 2023, compared to the 12 sold in 2022, which had been an exceptional year for such activity. The sale and disposal of Housing Trust properties are primarily driven by the welfare needs of those we support, although we always aim to maximise the financial return for the Fund.

Income from donations and fundraising activities was £3.4M (2022: £3.6M), with the slight decrease primarily due to reduced corporate sponsorship and merchandise income. However, income from serving RAF personnel under the Service Day's Pay Scheme remained stable at £1.6M.

This year-on-year change resulted from the income reduction in 2023. Our continued investment in income generation, which is crucial for the Fund's long-term financial sustainability. Importantly, all our

fundraising income, after offsetting the costs of raising it, was spent on our charitable activities during the year.

Income from charitable activities rose to £1.4M (2022: £1.1M), with £1.1M (78%) of this income representing rent from properties occupied by our beneficiaries. The £0.3M or 25% increase was mainly due to higher interest on beneficiary loans in 2023, as the interest rate linked to the base rate increased to 5.25% by August 2023. We utilised 100% (2022: 91%) of the £1.4M generated from our charitable activities to support the RAF Family.

Additionally, the RAF Benevolent Fund earned £2.5M (2022: £2.7M) from our investments. This income was instrumental in furthering our mission of supporting people in their hour of need, demonstrating the importance of a well-managed, diversified portfolio to ensure we could continue providing essential support and services to veterans and their families.

EXPENDITURE

Total expenditure in 2023 was £24.1M (2022: £22.5M) a £1.6M (7.1%) increase on the previous year, and made up as follows:

	2023		2022	
	£M	%	£M	%
Charitable activities	18.9	78%	17.5	78%
Raising funds	5.2	22%	5.0	22%
Total	24.1	100%	22.5	100%

Of the £24.1M spent, £18.9M (78%) was directed at our charitable activities which are undertaken to provide welfare support and services to the RAF Family. This increased by £1.4M (8%) to £18.9M (2022: £17.5M), including support costs of £3.4M (2022: £3.2M). In addition to the £18.9M expenditure on charitable activities, it cost us an additional £3.5M to purchase and adapt properties for our beneficiaries.

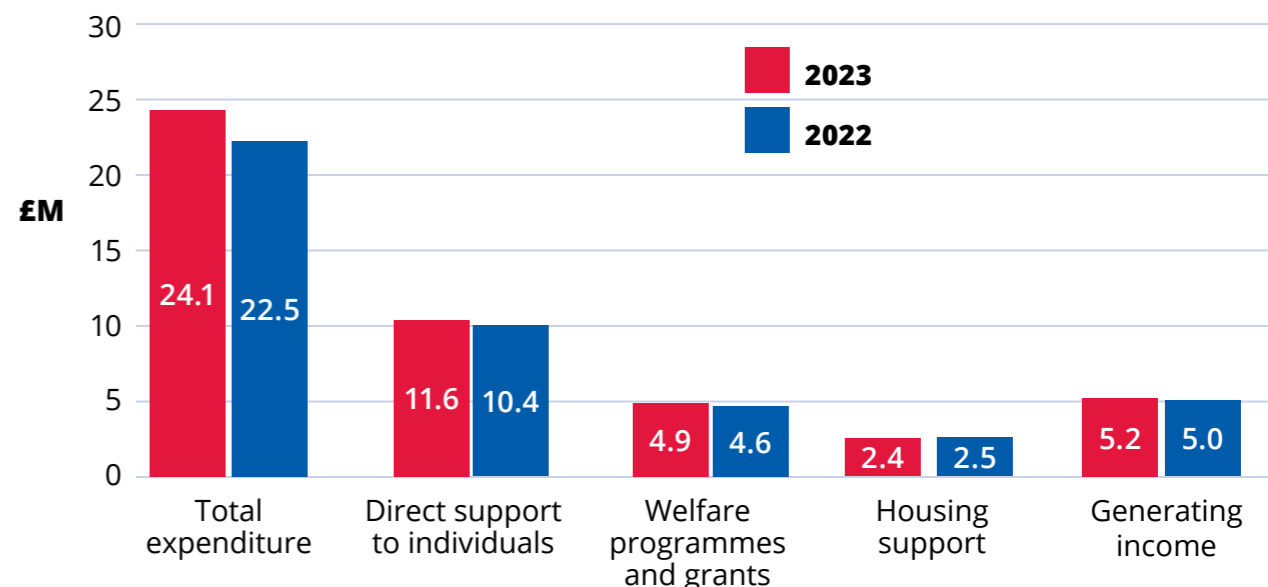
The £18.9M included £11.6M (2022: £10.4M) incurred on supporting individuals directly, £4.9M (2022: £4.6M) and £11.7M (2022: £10.4M) expended on supporting the RAF Family through programmes and grants and the £2.4M (2022: £2.5M) incurred on Housing Trust support.

Our expenditure on supporting individuals directly increased by £1.2M (12%), within this the demand for Respite, Care and Advocacy support had the largest cost increase due to inflationary pressure on mobility equipment and insurance. Increased NHS waiting times and care home costs mean our elderly veteran community wants to stay longer in their own homes. This leads to increases in housing adaptations and equipment to support them, ensuring they receive the best possible care in line with our four welfare goals.

The increase in costs was mitigated by assessing the effectiveness of our grants and ensuring that we deployed resources to maximise impact. We also made savings in welfare programmes and services as referral numbers stabilised, for example in our Listening and Counselling Service, and this allowed us to focus on individual support and offset increased costs in other areas.

Our expenditure on housing support was £2.4M (2022: £2.5M), similar to 2022 but more than planned as the demand persisted from the previous year with housing adaptations and repair grants increasing due to inflationary prices and the increase in the expected number of applications. In addition, the investment made to ensure we had the right teams to support income

EXPENDITURE £24.1M



generation was £5.2M (2022: £5.0M), a £0.2M (4%) increase on the previous year. The amount spent includes £1.4M in support costs (2022: £1.5M). For every £1 we spent directly on fundraising we received £3.71 in the year (2022: £4.73).

The total costs for raising funds and charitable activities include attributable support costs. Support costs in the year came to £4.8M (2022: £4.7M), a £128K (3%) increase on the previous year. These costs, which are crucial to being able to deliver our activities, include IT infrastructure, facilities, finance, human resources, governance, compliance, management and depreciation of fixed assets. They also include £235K of costs paid under our obligation to a legacy staff pension scheme. We attribute the costs directly to the activities that drive them as far as possible, and the general costs are allocated on a head count basis. To ensure we spend as much of our resources as we can directly on the RAF Family, we keep this area of cost tightly controlled.

INVESTMENTS

We invested strategically to preserve the real value of the funds we held and to generate the necessary income to support the RAF Family. This careful management was essential to ensure we could continue providing vital services and support. By adopting a managed and diversified portfolio, we aimed to achieve an appropriate return while maintaining acceptable levels of risk. This approach enabled us to navigate the economic challenges and uncertainties that marked the year.

Our current primary investment objectives, due to be reviewed in 2024, are to:

- hold investments in a manner that will help us deliver our objectives in the short, medium and long term.
- earn a return of CPI plus 5%, ensuring that real capital value is preserved, and sufficient income is generated to contribute to funding our activities.

- measure overall performance against an agreed market-derived benchmark and use an industry-wide peer group benchmark to assess performance against the average.
- employ investment managers who generate low costs and develop relatively stable portfolios which meet the objectives of this strategy in the long term.

In 2023 assets held with three fund managers were valued at £75.5M (2022: £71.1M), with £65.9M (2022: £60.9M) invested in long-term multi asset portfolios and £9.6M (2022: £10.2M) invested in a short-term bond portfolio.

The challenging environment for investors seen in 2022 continued into 2023. By the end of the year, overall returns were positive as the latter part of the year proved favourable for both equities and bonds and with some sectors performing particularly well. We also saw lower than expected inflation and market optimism that central banks may start to reduce interest rates earlier than previously expected and equity holdings underpinned the positive returns achieved in the latter part of the year. The top five sectors in which we held equity exposure at the year-end were information technology, industrials, financials, health care and consumer staples.

Our long-term investments were managed by BlackRock and CCLA. Performance is assessed on income yield and total return over a five year period compared to benchmark and peer group. In light of performance, changes will be made to portfolio management in 2024 to ensure that the best return is achieved in line with Trustee appetite for risk.

Armed Forces Charities Growth and Income Fund

The value of our investment in the Armed Forces Charities Growth and Income Fund, a Charity Authorised Investment Fund (CAIF), managed by BlackRock, was £19.3M on 31 December 2023 (2022: £19.2M).

Total performance net of fees over the year was 4.3% (2022: -10.6%) compared to the benchmark performance of 8.5% (2022: -8.3%). Total return over the five years to 2023 was 6.4%, compared to the benchmark return of 5.9%. The dividend yield in the 12 months to 31 December 2023 was 3.9% (2022: 3.8%).

COIF Charities Investment Fund

The value of our investment in COIF Charities Investment Fund managed by CCLA was £46.6M on 31 December 2023 (2022: £41.7M). The increase in value was mainly due to the £4.0M investment gain over the year, although we did increase our investment by £0.9M at the start of the year. Total performance net of fees over the year was 12.4% (2022: -9.0%) compared to the benchmark performance of 13.3% (2022: -10.1%). The total annualised return over the five years to 2023 was 9.9%, compared to the benchmark return of 7.7%. The dividend yield in the 12 months to 31 December 2023 was 2.8% (2022: 3.0%).

Close Brothers Asset Management

Close Brothers Asset Management manages a bespoke portfolio wholly invested in quality short-dated bonds to match our short to medium term cash requirements. This portfolio is run on an income mandate with a lower risk appetite. Our medium-term objective is to ensure our cash requirements are met without undue exposure to investment risk, while still achieving good returns. The value of this portfolio on 31 December 2023 was £9.6M and the return in the year was 3.2% (2022: 1.2%).

The RAF Benevolent Fund is the sole Trustee of The Royal Air Force Disabled Holiday Trust (DHT), an unincorporated charity. DHT property bonds, held in the name of the RAF Benevolent, were valued at £608K at the year-end (2022: £552K). Additional units were gifted to the Fund, adding £52K in the year. The units held under this policy are used to provide affordable breaks to DHT members.

Unrealised market gains on investments at the year-end were £4.7M (2022: £8.7M loss).

PENSION DEFICIT

Under FRS 102 the closed defined benefit pension scheme had a deficit of £2.8M (2022: £3.1M). The actuarial valuation of the scheme, updated to reflect funding progress, as at 31 October 2021 revealed a funding shortfall (Technical Provisions minus value of assets) of £8.6M. To eliminate this updated funding shortfall, the Staff Pension Fund Trustee and the Fund agreed that the Fund would pay deficit funding contributions to the scheme of £100K per month from 1 January 2021 until 31 October 2028. £1.2M was paid in 2023. The December 2023 triennial valuation will be completed in 2024. This payment was in addition to the £24.1M expenditure described above.

RESERVES

Our total funds on 31 December 2023 were £122.8M (2022: £124.1M). These comprised unrestricted funds of £111.9M (2022: £113.0M), while restricted and endowment funds were £11.0M (2022: £11.1M).

Our commitment to support the RAF Family is a long-term one and, to honour this, we continue to take a risk-based approach to determining our free reserves minimum requirement. We continue to ensure funds are available to meet the demand for our welfare services and to secure, as far as possible, future financial viability. We continue to manage the risks associated with our strategy which include the uncertainty of future income particularly where we have realistic but ambitious targets. An important example of this would be the volatility in legacy notifications particularly given that this is a significant source of income for us. We also factor in the Charity's discretionary commitment to the Dependents Fund, particularly in the event of a mass fatality incident.

Unrestricted reserves included operational assets of £36.3M (2022: £34.6M), designated funds of £24.6M (2022: £27.9M) and free reserves of £51.0M (2021: £50.5M).

Free reserves

Trustees have determined that we should hold a minimum of £40M in free reserves to be assured that we are able to sustain the support we provide to the RAF Family in the long-term, as well as meeting other obligations, irrespective of fluctuations in income, market conditions and demand for our support. The current reserves are higher than the minimum requirement but we are comfortable with this surplus, given the risks that we are managing and the assumptions and objectives underpinning our long-term plan.

Designated Funds

Designated Funds at the year-end were £24.7M (2022: £27.9M). £10.4M (2022: £12.8M) of this is to be used for welfare services necessary to deliver our strategy, so we can remain responsive to beneficiary need and augment our core welfare offer as required.

Setting funds aside for our welfare provision continues to be important as we implement our strategy and achieve its goals in the current economic context of increased costs and social and healthcare sector challenges. In 2023 we used £2.4M of the funds designated for enhancing our welfare offer to part-fund our Listening and Counselling Service, care and mobility grants, fuel grants, community engagement, Benefits Advice Service and Advocacy Service, and our triage and caseworking teams, to enhance the service we provide to those who contact the Fund and those we go on to support.

£1.4M (2022: 1.2M) of the fund set aside for pension deficit recovery contributions up until October 2028 was paid out during the year, leaving a balance of £5.6M at the end of 2023 (2022: £7.0M).

£7.8M (2022: £7.2M) reserves of the Dependants Fund are set aside to meet our commitment to support RAF personnel who are subscribers to the Fund. The Dependants Fund reserves increased by £609K (2022: £886K decrease) due to the £634K gain in the market value of investments (2022: £893K loss) and a £25K operating deficit (2022: £8K surplus).

Restricted funds

Restricted funds representing the unspent balance of funds received for specific charitable activities were £5.0M (2022: £5.1M). The largest single restricted fund of £2.8M (2022: £2.8M) is for the maintenance and upkeep of the Bomber Command Memorial.

Endowment funds included both permanent and expendable funds and were £6.0M (2022: £6.0M). These funds represent income donated to the Fund, but are subject to the condition that the capital remains unspent. There was a small increase in the value of the fund due to an £18K unrealised gain on investments in the year (2022: £972K loss).

The Trustees are assured that the Charity has adequate resources to continue to operate for the foreseeable future and the Charity therefore continues to adopt the going concern basis in preparing its financial statements.

STRUCTURE, MANAGEMENT, GOVERNANCE AND RISK

REFERENCE AND ADMINISTRATIVE DETAILS

The Royal Air Force Benevolent Fund has the Charity Commission registration number 1081009. As we own/lease land and properties in Scotland, we are also registered with the Office of the Scottish Charity Regulator (OSCR) to comply with the Charities and Trustee Investment (Scotland) Act 2005. Our registration number is SCO38109. Our restricted and endowed funds have a separate registration number, 207327.

In accordance with Section 96 of the Charities Act 1993 (now replaced by Section 20 of the Charities Act 2011), the Charity Commission has stipulated that the two charities, having the same charity Trustees, are to be treated as a single charity.

We are also registered as a Royal Charter Company with the Companies House registration numbers ZC000201/RC000773.

The RAF Benevolent Fund Group also encompasses other entities – you can find details of these at the back of this report. We carry out some of our activities through these organisations.

STRUCTURE AND GOVERNANCE

The Fund was founded in 1919 and incorporated by Royal Charter in 1999. Trustees are appointed by our Council for a four-year term. They are then eligible for re-election for up to a further four-year term. Trustees may not hold office for a continuous period of more than eight years without the consent of our Board. Our Board of Trustees is made up of no fewer than 10 and no more than 15 Trustees.

Our Board met seven times in full session in 2023. It also met separately for an away-day strategy session.

Throughout 2023, our Board, either as a whole or through its committees, continued to receive ongoing briefings and training from senior management and external advisers in critical areas such as risk management, safeguarding and data protection.

We also have a Senior Independent Trustee whose role it is to act as a sounding board for the Chair and act as the same, or as an intermediary, for the other Trustees.

The key governance activities undertaken by the Board in 2023 included:

- Reviewing and approving the Reserves policy
- Undertaking a full review of the remit and delegated authority of each of our Board Committees which resulted in a series of amendments to the relevant terms of reference
- Approving amendments to the Fund's Byelaws
- Determining and approving those matters reserved for the Board

Our Board is responsible for setting our strategy and policies so we can achieve our charitable object, as set out in our Royal Charter. It is also responsible, through its committees, for monitoring the activities of our Executive Leadership Team, led by our Controller. It does this by reviewing our progress against our strategic and business plans and receiving reports from the Board Committees and the Executive Leadership Team. Our Controller, as our Chief Executive, is responsible for the day-to-day management of our affairs.

During the year our Board Committees were:

- Finance, Audit and Investments Committee
- Fundraising, Communications and Engagement Committee
- Major Grants Committee
- Nominations Committee
- Remuneration Committee
- Welfare and Safeguarding Committee.

We extend a thank you to all our non-trustee committee members for their advice and guidance during the year.

OUR STRUCTURE

We carry out some of our activities through the following subsidiaries:

- RAF Benevolent Fund Housing Trust Limited
- RAF Dependants Fund
- RAF Dependants Income Trust Limited
- RAF Trading Limited
- RAF Disabled Holiday Trust
- Royal Observer Corps Benevolent Fund

MANAGING RISK

Our Board has overall responsibility for managing the risks the Charity and its subsidiary entities face. The review of the Board Committee terms of reference has ensured that the committees now take greater ownership of risk within their remit and they provide regular reports, recommendations and updates to the Board accordingly.

Our Executive Leadership Team regularly assesses and manages risk on a day-to-day basis and our Board discusses the Fund's strategic risk register at each quarterly scheduled meeting. Our fundamental review of risk management in 2022 has continued to enable us to have the resilience and agility to effectively manage uncertainty, make informed decisions, understand and minimise threats, seize opportunities and,

most importantly, make the maximum possible positive impact on the RAF Family. The strategic risks we face are:

Income and financial sustainability

We acknowledge we may be unable to raise sufficient income to cover what we need to fund the RAF Family's current and future welfare needs. We also acknowledge that the ongoing economic climate and cost-of-living pressures could impact our fundraising.

We are mitigating this risk by continuing to focus on growing our supporter database, developing our individual and corporate relationships and looking at other ways in which we can diversify our income.

Our aim is to deliver our core and augmented welfare offering within affordable budgets ensuring that all our activities align with our charitable objects and strategic aims. Our robust risk-based reserves policy is regularly monitored and reviewed and approved by our Board during the year.

Meeting the needs of the RAF Family

Our ability to continue to meet the RAF Family's needs could be affected by the performance of the third-party organisations we rely on to provide services, our own failure to deliver effective and timely support, a rise in demand for our welfare services, or a lack of understanding of the RAF Family affecting our ability to deliver services that meet their needs.

We mitigated this risk by continuing our community engagement and focusing on making the journey to receiving our support smoother through our Welfare Navigator, Community Engagement Worker and Welfare Support Executive programmes. During the year, our direct involvement with casework has continued to grow. When awarding contracts to third-party suppliers we undertake robust due diligence, have built-in regular performance oversight and only work with those who share our values.

We continue to use data and analysis to understand the needs of the RAF Family and the environment we work in. Towards

the end of 2023, we embarked on a project to obtain an up-to-date understanding of the size, shape and needs of the RAF Family (both veterans and serving) which will result in recommendations on how the Fund can increase its relevance and effectiveness in meeting these needs.

We have also prepared for the launch of our Lived Experience Network in 2024, a new online volunteering initiative. The RAF Family is invited to consult and engage with us on a variety of topics, through surveys, focus groups and panels, to ensure that their voice continues to be at the centre of our decision-making.

We also continue to engage closely with our sister charities to avoid overlap and competition as well as promote collaboration and partnership working wherever possible.

Safeguarding and duty of care

We are committed to providing a safe and respectful environment for everyone who engages with us, whether they are members of the RAF Family, supporters, employees, contractors or volunteers. A failure in our safeguarding processes could result in harm and significant damage to our reputation.

We mitigated this risk by making sure we have a robust safeguarding policy in place, which is cross referenced with our other policies and independently audited every three years. Appropriate safeguarding training for staff, volunteers and Trustees is mandatory and we have a dedicated Safeguarding Lead Trustee on our Board.

Information and data security

The nature of our work means we process large volumes of personal data. There are risks inherent in doing this, including human error, failure to ensure secure data transfer, inadequate storage or inappropriate retention of data, ineffective business continuity and disaster recovery, and cyberattacks.

We mitigated these risks by making sure our policies and procedures are up-to-date, compliant with legislation and the Information Commissioner's requirements

and embedded with our staff and volunteers. All our staff are required to undertake annual mandatory training on data protection and the UK General Data Protection Regulation (GDPR). At the end of 2023, our internal auditors completed an audit of IT and information governance, which resulted in a number of recommendations which will assist the Fund in further mitigating risk in this area.

Governance and compliance with regulatory requirements

Our risks here include failure to comply with necessary legal requirements, apply best practices, apply the Charity Governance Code, comply with the Code of Fundraising Practice or keep up-to-date with changes in legislation.

We mitigated these risks through training and development, including inductions for new Trustees. Our Head of Governance remains abreast of changes and implications for the Fund, as do a number of other subject matter experts among our staff.

Fund capability: people, leadership and culture

Staff turnover, recruitment and retention continued to be key risks for the Fund, and other charities, in 2023. We continue to mitigate these by keeping abreast of employment market conditions and reacting accordingly, including monitoring salaries and making sure our remuneration policy remains relevant and is complied with. We ensured our recruitment processes were effective, from advertising to selection and job offers and remain committed to developing our staff. We have a comprehensive benefits package in place and review this annually.

REMUNERATION POLICY AND REVIEW

We continue to be strongly committed to recruiting, developing and retaining staff with the correct skills and knowledge to deliver our strategic plan. Making effective decisions around remuneration and reward is crucial to achieving our overall aims.

Our remuneration policy centres on rewarding employees in a fair, equitable and transparent way, by paying competitively against our relevant competitors in the third sector. We aim to match, where appropriate and affordable, competitive salaries based on current market conditions for any role.

Our focus continues to be a 'total reward' approach, in recognition that non-financial benefits such as working remotely up to two days a week and development opportunities, as well as the values we uphold, are of increasing relevance and value to current and potential employees.

Our Remuneration Committee reviews our remuneration policy annually to ensure that we adhere to its principles and that

those principles remain appropriate. The Committee also reviews our pension and broader reward provision and considers an annual pay award. To support this, the Committee uses external expert analytics and benchmarks to make its recommendations, which it then submits to our Board for approval.

In reviewing salary recommendations for 2024, our Trustees considered the impact of a number of factors impacting our staff, including the ongoing economic climate and rising inflation. A 3% annual pay award was agreed alongside a one-off cost-of-living award, both of which were paid in January 2024.

PRINCIPAL PROFESSIONAL ADVISERS

Independent external auditor

Saffery LLP
71 Queen Victoria Street
London EC4V 4BE

Independent internal auditor (appointed 6 March 2023)

MHA
2 London Wall Place
London EC2Y 5AU

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Actuary

Broadstone Corporate Benefits Limited
100 Wood Street
London EC2V 7AN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Investment managers

BlackRock Investment
Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL

CCLA Investment Management Limited

One Angel Lane
London EC4R 3AB

Close Brothers Asset Management

10 Crown Place
London EC2V 7AN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Our Trustees are responsible for preparing our Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires our Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, our Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

Our Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Acts 2011 and 2022, the Charities and Trustee Investment (Scotland) Act 2005 (as amended by the Charities (Regulation

and Administration) (Scotland) Act 2023), the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding our assets and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- There is no relevant audit information of which the Fund's auditor is unaware.
- They have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEE DECLARATION

Trustees hereby approve the 2023 Annual Report on 2 July 2024.



Richard Daniel BSc (Hons) FRAeS
Chair, Royal Air Force Benevolent Fund

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Royal Air Force Benevolent Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise of the consolidated statement of financial activities, the consolidated and charity balance sheets, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the affairs of the group and the parent charity at 31 December 2023 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in respect of which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- The parent charity has not kept proper and sufficient accounting records; or
- The parent charity's financial statements are not in agreement with the accounting

- records and returns; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of Trustees' responsibilities set out on page 37, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent charity financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and updating our understanding of the sector in which the group and parent charity operates.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related

financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or had knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Saffery LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London EC4V 4BE

Date: 19 July 2024

Saffery LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Consolidated statement of financial activities

For the year ended 31 December 2023

	Note	2023				2022			
		Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		13,159	657	-	13,816	15,430	901	-	16,331
Charitable activities		1,415	-	-	1,415	1,134	-	-	1,134
Other trading activities		271	-	-	271	399	-	-	399
Investments		2,462	61	-	2,523	2,480	225	-	2,705
Other income		978	-	-	978	3,284	-	-	3,284
Total income	2	18,285	718	-	19,003	22,727	1,126	-	23,853
Expenditure on raising funds		5,209	8	-	5,217	5,000	13	-	5,013
Expenditure on charitable activities									
Direct support to individuals		11,266	345	-	11,611	9,645	729	-	10,374
Welfare programmes and grants		4,566	383	-	4,949	4,111	449	-	4,560
Housing support and assurance		2,196	160	-	2,356	2,256	281	-	2,537
		18,028	888	-	18,916	16,012	1,459	-	17,471
Total Expenditure	3	23,237	896	-	24,133	21,012	1,472	-	22,484
Net income/(expenditure) before gains/(losses) on investments		(4,952)	(178)	-	(5,130)	1,715	(346)	-	1,369
Transfers between funds		-	-	-	-	47	(47)	-	-
Net gains/(losses) on investments	11	4,624	11	18	4,653	(7,358)	(322)	(972)	(8,652)
Net income/ (expenditure)		(328)	(167)	18	(477)	(5,596)	(715)	(972)	(7,283)
Other recognised gains and losses:									
Actuarial gains/(losses) on defined benefit pension scheme	15	(835)	-	-	(835)	9,441	-	-	9,441
Net movement in funds		(1,163)	(167)	18	(1,312)	3,845	(715)	(972)	2,158
Total funds brought forward		113,019	5,144	5,958	124,121	109,174	5,859	6,930	121,963
Total funds carried forward	23	111,856	4,977	5,976	122,809	113,019	5,144	5,958	124,121

The notes on pages 45–75 form part of the financial statements. All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

Consolidated and charity balance sheets

	Note	Group 2023	Group 2022	Charity 2023	Charity 2022
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	28	35	28	35
Tangible assets	10	29,113	27,073	4,370	4,630
Investments	11	76,073	71,639	68,646	64,847
Loans to beneficiaries	12	7,110	7,486	7,109	7,486
		112,324	106,233	80,153	76,998
Current assets					
Stock		10	5	-	-
Debtors and prepayments	13	8,461	10,027	19,382	19,409
Cash at bank and in hand		6,947	13,494	5,429	10,936
		15,418	23,526	24,811	30,345
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(2,129)	(2,582)	(1,957)	(2,164)
Net current assets		13,289	20,944	22,854	28,181
Net assets excluding long-term liabilities and pension liability		125,613	127,177	103,007	105,179
Defined benefit pensions liability	15	(2,804)	(3,056)	(2,804)	(3,056)
Total net assets		122,809	124,121	100,203	102,123
Funds					
Endowment funds		5,976	5,958	5,976	5,958
Restricted funds		4,977	5,144	4,977	5,144
Designated funds		24,689	27,911	16,859	20,735
General funds		89,971	88,164	75,195	73,342
Pension reserve		(2,804)	(3,056)	(2,804)	(3,056)
	23	122,809	124,121	100,203	102,123

Approved by the Board of Trustees on 2 July 2024 and signed on its behalf by



Richard Daniel
Chair, Board of Trustees

Consolidated statement of cash flows

For the year ended 31 December 2023

	2023	2022
	£'000	£'000
Net cash used in operating activities	(7,765)	(3,764)
Cash flows from investing activities		
Dividends and interest from investments	2,523	2,705
Proceeds from the sale of property	1,357	4,735
Purchase of property and equipment	(3,532)	(940)
Net proceeds from sale of investments	219	2,823
Net cash provided by investing activities	567	9,323
Cash flows from financing activities		
Loans awarded	(146)	(333)
Loan repayments	797	819
Net cash provided by financing activities	651	486
Change in cash and cash equivalents in the year	(6,547)	6,045
Cash and cash equivalents as at 1 January	13,494	7,449
Cash and cash equivalents as at 31 December	6,947	13,494
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the year ended 31 December	(477)	(7,283)
Adjustments for:		
Depreciation charges and amortisation	914	1,000
Gains on investments	(4,653)	8,652
Income attributable from joint venture	-	-
Dividends and interest from investments	(2,523)	(2,705)
Profit on the sale of fixed assets	(772)	(3,053)
Loan interest	(293)	(96)
Loans converted to grants	-	15
Loans written off less provision	18	57
Decrease/(increase) in stock	(5)	(2)
(Increases)/decrease in debtors	1,566	596
(Decrease)/increase in creditors	(454)	23
Pension interest expense	113	232
Pension fund costs	(1,200)	(1,200)
Net cash used in operating activities	(7,766)	(3,764)
Analysis of cash and cash equivalents		
Current accounts	6,947	13,494
Total cash and cash equivalents	6,947	13,494

Analysis of changes in net debt

	At 1 January 2023	Cashflows	At 31 December 2023
	£'000	£'000	£'000
Cash – Current Accounts	13,494	(6,547)	6,947

	At 1 January 2022	Cashflows	At 31 December 2022
	£'000	£'000	£'000
Cash – Current Accounts	7,449	6,045	13,494

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 Principal accounting policies

These are the financial statements of the Royal Air Force Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 29 December 1999. The Trustees of the Charity are named on page 2. The registered office is 67 Portland Place, London W1B 1AR.

BASIS OF PREPARATION

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice (FRS102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

ACCOUNTING CONVENTION

These financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 27.

The Group's share of net income of the joint venture (20%) is accounted for using the equity method and is shown in the consolidated SOFA with the share of net assets shown on the balance sheet as an investment.

FUNCTIONAL CURRENCY

The Charity's functional and presentational currency is GBP and is shown as £'000s in the financial statements.

GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate. They have reassessed the business plans, income and expenditure projections, and taken the Charity's reserves levels into account. Their conclusion is that there is no doubt about the Charity's ability to continue operating as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of the approving the financial statements and are assured that the Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

FUND ACCOUNTING

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and that have not been designated by the Trustees for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim

and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against specific funds. The aim and use of the larger restricted funds is set out in the notes to the financial statements.

Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. These funds are set out in Note 26. The return on endowment investments is made up of income earned and gains or losses in the market value of the investments.

Income generated from endowment funds is spent on charitable activities. Investment income and gains are allocated to the appropriate fund.

RECOGNITION OF INCOME

Income is recognised in the SOFA when the Charity becomes entitled to it, it is more likely than not that the income will be received, and the monetary value of the income can be estimated with sufficient accuracy. Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through the notification of a Will. Receipt of legacy income is deemed probable when there has been a grant of probate, and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

RECOGNITION OF EXPENDITURE

Expenditure is recognised in the SOFA on an accrual basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more than likely that payment will be paid in settlement.

Two main categories of expenditure shown in the SOFA are expenditure on raising funds and expenditure on charitable activities. Expenditure on raising funds includes all expenditure incurred to raise voluntary income to spend on charitable purposes as well as investment management fees. Expenditure on charitable activities includes all costs incurred by the Charity in carrying out its charitable aims to support the beneficiaries of the RAF Benevolent Fund.

SUPPORT COSTS

Support costs have been classified as: information technology and facilities, depreciation, general management and administration, finance and payroll, HR and governance. These costs have been allocated to activities on a basis consistent with the use of resources, and indirect costs have been apportioned on a headcount basis or in proportion to direct costs or income.

GRANT COMMITMENTS

Grants awarded are expensed in the SOFA in the year in which they are approved by the Trustees and the offer is conveyed to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1K (£5K in the RAF Benevolent Fund Housing Trust Ltd) are capitalised and included at cost, including any incidental expense of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

- Freehold land nil
- Freehold buildings over 50 years
- Leasehold buildings over the life of the lease, or 50 years if shorter
- Leasehold improvements over 30 years
- Project and office equipment over five years
- Computer equipment over three years
- Motor vehicles over five years

A full year's depreciation is provided in the year of asset acquisition, and none in the year of disposal.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Software is classified as an intangible fixed asset and is capitalised where the cost plus incidental expenses incurred in acquisition is more than £1K.

Amortisation is provided on intangible fixed assets to write off the capitalised value on a straight-line basis over three years. A full year's amortisation is provided in the year of asset acquisition, and none in the year of disposal.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

RELATED PARTY DISCLOSURES

The Charity has made the required disclosures in accordance with the Charities SORP (FRS 102).

Transactions with group undertakings are eliminated on consolidation.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Income receivable on investments is recognised in the SOFA on the accruals basis.

JOINT VENTURE

The RAF100 Appeal (Registered Charity 1167398; Company Registration: 9977273) was formed to bring the four major RAF charities and the RAF itself together to mark the centenary of the RAF with a programme of events. To assist with providing initial working capital, the Fund and the other RAF charities each provided a £25K short-term interest free loan to the RAF100 Appeal which has been subsequently repaid. On completion of the joint venture project any surplus reserves have been distributed as agreed among the joint venture partners.

This company has now been dissolved on 4 April 2023, having served its purpose.

STOCK

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

PENSION COSTS

Pensions are accounted for in accordance with FRS102 section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included immediately in other income or employee costs as appropriate.

Actuarial gains and losses are recognised immediately on the face of the SOFA. The scheme deficit is included as a liability in the balance sheet. Details of the pension scheme are included in Note 15 to the accounts.

The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

FINANCE AND OPERATING LEASES

The Charity does not have any finance leases. Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred on a straight-line basis.

LOANS

Loans are awarded to beneficiaries in furtherance of charitable activities. The particular circumstances of each case will determine whether or not the loan is awarded free of interest. When interest is charged the rate is considerably lower than prevailing market rates. Loans are recognised as assets at the value of the award. Accrued interest, where applicable, is recognised as income and added to the balance of the loan. Repayments are made as provided in the loan agreement. To facilitate the relief of hardship and distress, the commencement of repayments can be deferred.

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See Notes 13 and 14 to the accounts.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives – The annual depreciation charge for property and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Loans – Specific provisions have been made against loans where there is a high risk of non repayment.

Pension scheme deficit – The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS102 and based on assumptions recommended by the actuary.

2 Income and endowments

	Unrestricted	Restricted	Endowed	Total 2023	Unrestricted	Restricted	Endowed	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies								
Royal Air Force service personnel	1,594	-	-	1,594	1,588	-	-	1,588
General donations	2,647	510	-	3,157	2,549	511	-	3,060
Government grants (Job Retention Scheme, DFG)	-	-	-	-	-	43	-	43
Legacy income	8,918	147	-	9,065	11,293	347	-	11,640
	13,159	657	-	13,816	15,430	901	-	16,331
Charitable activities								
Housing	1,102	-	-	1,102	1,024	-	-	1,024
Respite care	20	-	-	20	14	-	-	14
Loan interest	293	-	-	293	96	-	-	96
	1,415	-	-	1,415	1,134	-	-	1,134
Other trading activities								
Income from fundraising events	198	-	-	198	252	-	-	252
Trading income	73	-	-	73	147	-	-	147
	271	-	-	271	399	-	-	399
Investment income								
Dividends from pooled funds	2,115	61	-	2,176	2,379	225	-	2,604
Interest earned	347	-	-	347	101	-	-	101
Movement in share of joint venture	-	-	-	-	-	-	-	-
	2,462	61	-	2,523	2,480	225	-	2,705
Other Income								
Profit on the sale of fixed assets	772	-	-	772	3,053	-	-	3,053
Pension interest income	206	-	-	206	215	-	-	215
RAF100 distribution	-	-	-	-	16	-	-	16
	978	-	-	978	3,284	-	-	3,284
Total income	18,285	718	-	19,003	22,727	1,126	-	23,853

The 2022 figure includes profit on sale of £0.9M for disposal of our Edinburgh office.

3 Analysis of expenditure

	Direct costs	External grants	Support costs	Total 2023	Direct costs	External grants	Support costs	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	3,143	-	1,416	4,559	2,841	-	1,485	4,326
Regional engagement	308	-	-	308	317	-	-	317
Other trading activities	18	-	-	18	32	-	-	32
Investment management fees	332	-	-	332	338	-	-	338
	3,801	-	1,416	5,217	3,528	-	1,485	5,013
Charitable activities								
Direct support to individuals	10,156	-	1,455	11,611	9,025	-	1,349	10,374
Welfare programmes and grants	840	3,162	947	4,949	865	2,814	881	4,560
Housing Trust support	1,393	-	963	2,356	1,599	-	938	2,537
	12,389	3,162	3,365	18,916	11,489	2,814	3,168	17,471
Total expenditure	16,190	3,162	4,781	24,133	15,017	2,814	4,653	22,484

See Note 22 for analysis of welfare programmes and external grants

4 Analysis of support costs

	Raising funds	Direct support to individuals	Welfare programmes and grants	Housing Trust support	Total 2023
	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	604	635	414	129	1,782
Depreciation and amortisation	86	87	57	685	915
General management and administration	110	112	73	23	318
Finance	321	322	210	65	918
Human resources	164	166	108	34	472
Governance	131	132	86	27	376
Total	1,416	1,454	948	963	4,781

	Raising funds	Direct support to individuals	Welfare programmes and grants	Housing Trust support	Total 2022
	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	598	557	364	135	1,654
Depreciation and amortisation	144	128	84	642	998
General management and administration	160	143	93	35	431
Finance	355	317	207	77	956
Human resources	126	113	74	27	340
Governance	102	91	59	22	274
Total	1,485	1,349	881	938	4,653

5 Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	5,402	4,864
Social security costs	585	557
Pension costs	733	649
Termination and redundancy costs	94	9
	6,814	6,079

Costs for termination and redundancy are incurred when there is a constructive or legal obligation to make the payment.

The number of employees whose pay and benefits (excluding pension contributions) amounted to more than £60,000 in the year was as follows:

	2023	2022
	No.	No.
£60,001 – £70,000	3	4
£70,001 – £80,000	2	4
£80,001 – £90,000	1	1
£90,001 – £100,000	2	-
£100,001 – £110,000	-	1
£110,001 – £120,000	-	1
£120,001 – £130,000	-	-
£130,001 – £140,000	-	1
£140,001 – £150,000	1	-
	9	12

Seven employees (2022: 11) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme.

The average number of employees, calculated on a headcount basis, analysed by function was:

	2023	2022
	No.	No.
Charitable activities	77	64
Cost of generating funds	29	24
Governance, administration and support	23	21
	129	109

6 Key management personnel

The key management personnel of the RAF Benevolent Fund are the Executive Leadership Team (ELT). The ELT comprises of the Controller, the Director of Grants, Services and Programmes, the Director of Fundraising, the Director Strategy and Impact and the Director Resources. Total employee pay and benefits received by ELT for services to the Charity in 2023 were £612K (2022: £583K).

7 Net expenditure

	2023	2022
	£'000	£'000
Net expenditure for the year is stated after charging:		
Amounts paid for audit services (including VAT):		
Audit fees (current year)	76	74
Audit fees (prior year under accruals)	-	12
Corporation Tax Services	2	2
Investment management fees	332	338
Amortisation of intangible assets	21	161
Depreciation	893	839
Operating leases	168	57
Profit on disposal of fixed assets	(772)	(3,053)

8 Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year 2023 (2022: £nil)

Out-of-pocket expenses were reimbursed to Trustees as follows:

	2023	2022	2023	2022
	No.	No.	£	£
Travel and Accommodation	8	9	4,959	5,413

9 Intangible assets

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	2,542	2,533	2,542	2,533
Additions during the year	14	9	14	9
Disposals during the year	-	-	-	-
Cost at 31 December	2,556	2,542	2,556	2,542
	-	-	-	-
Amortisation at 1 January	(2,507)	(2,346)	(2,507)	(2,346)
Amortisation for the year	(21)	(161)	(21)	(161)
Depreciation on disposals during the year	-	-	-	-
Accumulated amortisation at 31 December	(2,528)	(2,507)	(2,528)	(2,507)
Net book value 31 December	28	35	28	35

10 Tangible fixed assets

	Group 2023			Charity 2023		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	37,728	362	38,090	7,154	362	7,516
Additions during the year	3,518	-	3,518	-	-	-
Disposals during the year	(800)	-	(800)	(74)	-	(74)
Cost at 31 December	40,446	362	40,808	7,080	362	7,442
Depreciation at 1 January	(10,655)	(362)	(11,017)	(2,524)	(362)	(2,886)
Depreciation for the year	(893)	-	(893)	(226)	-	(226)
Depreciation on disposals during the year	215	-	215	40	-	40
Accumulated depreciation at 31 December	(11,333)	(362)	(11,695)	(2,710)	(362)	(3,072)
Net book value 31 December 2023	29,113	-	29,113	4,370	-	4,370

	Group 2022			Charity 2022		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	38,903	362	39,265	7,267	362	7,629
Additions during the year	931	-	931	47	-	47
Disposals during the year	(2,106)	-	(2,106)	(160)	-	(160)
Cost at 31 December	37,728	362	38,090	7,154	362	7,516
Depreciation at 1 January	(10,240)	(362)	(10,602)	(2,389)	(362)	(2,751)
Depreciation for the year	(839)	-	(839)	(228)	-	(228)
Depreciation on disposals during the year	424	-	424	93	-	93
Accumulated depreciation at 31 December	(10,655)	(362)	(11,017)	(2,524)	(362)	(2,886)
Net book value 31 December 2022	27,073	-	27,073	4,630	-	4,630

10 Tangible fixed assets (cont)

	Group 2023			Charity 2022		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:						
Headquarters - London	3,851	-	3,851	4,065	-	4,065
Other properties	432	-	432	441	-	441
Gulf Trust Fund (restricted fund)	87	-	87	124	-	124
Charity	4,370	-	4,370	4,630	-	4,630
RAFBF Housing Trust Ltd	24,743	-	24,743	22,443	-	22,443
Group	29,113	-	29,113	27,073	-	27,073
The net book value of properties comprises:						
Freehold	28,733			26,608		
Long leasehold	380			393		
	29,113			27,073		

Properties held by the RAF Benevolent Fund Housing Trust Ltd support charitable activities. Properties are held so that beneficiaries, including wounded, injured or sick personnel who have been medically discharged from the RAF, can live in suitable, usually heavily adapted, accommodation. Properties are stated at historical cost and depreciated as per the policy stated in Note 1.

11 Fixed asset investments

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Market value as at 1 January	71,639	83,114	64,847	75,429
Additions	2,612	514	2,612	514
Withdrawals	(2,831)	(3,337)	(2,793)	(3,295)
Net investment gains	4,653	(8,652)	3,980	(7,801)
Market value at 31 December	76,073	71,639	68,646	64,847
Investments are represented by:				
Listed investments	75,453	63,201	68,026	56,409
Cash holdings in investments	12	7,886	12	7,886
RAF Disabled Holiday Trust Bonds	608	552	608	552
Total	76,073	71,639	68,646	64,847

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £552K are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Ltd of £1, the results of this subsidiary entity are shown in Note 27.

12 Loans to beneficiaries

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Balance at 1 January	7,486	7,948	7,486	7,948
New loans	146	333	146	333
Interest charged	293	96	292	96
	7,925	8,377	7,924	8,377
Repayments	(797)	(819)	(797)	(819)
Loans converted to grants	-	(15)	-	(15)
Bad debts written off	-	(5)	-	(5)
Provision for loan conversion	(18)	(52)	(18)	(52)
Balance at 31 December	7,110	7,486	7,109	7,486

The Fund offers loans in cases where grant assistance is not appropriate or not possible. They enable asset rich but cash poor beneficiaries to remain in their homes. Loan interest is charged depending on the nature of the case at a rate substantially below commercial rates. All but £69k (2022: £70k) of the Fund's loans are secured by legal charges on the properties of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate. A specific provision for loan conversion has been allowed for where there is a high risk of non repayment

13 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Legacy accrued income	7,606	9,214	7,581	9,167
Inter company balance	-	-	11,066	9,559
Other debtors	647	626	578	537
Prepayments	208	187	157	146
	8,461	10,027	19,382	19,409

14 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	230	485	221	479
Taxation and social security costs	243	265	277	258
Accruals for grants payable	1,109	1,324	1,052	1,068
Other creditors	547	508	407	359
	2,129	2,582	1,957	2,164

15 Pension commitments

The Royal Air Force Benevolent Fund pension arrangements are as follows:

A Group Personal Pension Scheme made up of a collection of individual pension plans for current employees arranged by the Fund has been provided by Royal London since 2016. The liability of the employer is limited to the contributions it makes which amounted to £733K (2022: £649K) of which £61K remained payable at the year end (2022: £56K).

The RAF Benevolent Fund Staff Pension Fund is a defined benefit scheme. The scheme was closed to new members on 31 August 2005 and was closed to future accrual on 1 April 2014. The most recent actuarial valuation was carried out as at 31 December 2021. Under the schedule of contributions agreed as part of the actuarial valuation as at 31 December 2021, the employer paid £1.2M during 2023 (2022: £1.2M). The new deficit contribution plan agreed that the employer would make contributions at the rate of £100K per month until 31 October 2028. The next triennial valuation as at the 31 December 2023 will be completed in 2024.

	2023	2022
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(27,453)	(27,338)
Fair value of plan assets	24,649	24,282
Net defined benefit liability	(2,804)	(3,056)

The amounts recognised in the SOFA are as follows:

Net interest expense on net defined benefit liability	113	232
Total pension expense recognised in the SOFA	113	232

Reconciliation of defined benefit obligation over the year

Defined benefit obligation as at 1 January	(27,338)	(39,680)
Interest expenses on defined benefit obligation	(1,226)	(703)
Remeasurement - effect of experience adjustments gain	54	(2,113)
Remeasurement - effect of changes in assumptions loss	(297)	13,875
Benefits paid	1,354	1,283
Defined benefit obligation as at 31 December	(27,453)	(27,338)

Changes in the fair value of plan assets over the year:

Fair value of plan assets as at 1 January	24,282	26,215
Interest income on plan assets	1,113	471
Remeasurement - return on plan assets excluding interest income gain	(592)	(2,321)
Contributions by employer	1,200	1,200
Benefits paid	(1,354)	(1,283)
Fair value of plan assets as at 31 December	24,649	24,282

Return on plan assets	521	(1,850)
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Remeasurements recognised in SOFA		
Remeasurement - effect of experience adjustments gain	54	(2,113)
Remeasurement - effect of changes in assumptions gain/(loss)	(297)	13,875
Remeasurement - return on plan assets excluding interest income gain	(592)	(2,321)

Total remeasurement gain/(loss) recognised in SOFA	(835)	9,441
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15 Pension commitments (cont)

	2023		2022	
	£'000	%	£'000	%
Assets:				
Target Return Fund	24,260	98.4%	23,472	96.7%
Cash/other	389	1.6%	810	3.3%
	24,649	100%	24,282	100%

	2023	2022
Principal actuarial assumptions at the balance sheet date:		
Discount rate	4.4%	4.6%
RPI inflation rate	3.2%	3.2%
CPI inflation rate	2.6%	2.6%
Increases to pensions in deferment (CPI max 5%)	2.6%	2.6%
Increases to pensions in payment (CPI max 5%)	2.6%	2.6%
Commutation (% of pension)	25%	25%
Mortality – base table	S3PA	S3PA
Mortality – allowance for future improvements	CMI 2022 1.0% LTR	CMI 2021 1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	86.1	86.6
Female currently aged 63	88.6	89.1
Male currently aged 43	87.1	87.7
Female currently aged 43	89.8	90.2

Amounts for current and previous four periods are as follows:

	2023	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(27,453)	(27,338)	(39,680)	(41,561)	(37,767)	(34,526)
Fair value of plan assets	24,649	24,282	26,215	25,030	24,039	22,231
Deficit	(2,804)	(3,056)	(13,465)	(16,531)	(13,728)	(12,295)

16 Related party disclosure

Donations to the value of £806 (2022: £1,025) were received from individual Trustees in the year. Details of all inter-company transactions are shown in Note 27 on subsidiary entities. There were no other related party transactions.

17 Ultimate controlling party

The Trustees do not consider there to be an ultimate controlling party.

18 Capital commitments

There are no major planned capital commitments for 2023.

19 Analysis of group net assets between funds

	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds	
	2023	2022	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	29,054	26,984	87	124	-	-	29,141	27,108
Investments	67,434	63,067	2,662	2,600	5,977	5,972	76,073	71,639
Loans to beneficiaries	7,110	7,486	-	-	-	-	7,110	7,486
Current assets	12,385	20,601	2,508	2,420	525	505	15,418	23,526
Current liabilities	(1,603)	(2,063)	-	-	(526)	(519)	(2,129)	(2,582)
Pension liability	(2,804)	(3,056)	-	-	-	-	(2,804)	(3,056)
Total net assets	111,576	113,019	5,257	5,144	5,976	5,958	122,809	124,121

20 Operating leases

At 31 December 2023 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles as follows:

	2023	2022
	£	£
Payments due: office equipment and vehicles		
Within one year	69,833	36,388
Within two to five years	99,345	47,740
Total	169,178	84,128

21 Contingent liability

The actuarial valuation of the Scheme as at 31 December 2020 revealed a funding shortfall (Technical Provisions minus value of assets) of £12.275M. This position was then updated to 31 October 2021 for the purposes of deriving the Recovery Plan in order to reflect more up-to-date information about the Scheme's funding progress. The funding shortfall at this date was £8.6M.

To eliminate this updated funding shortfall, the Trustees and the Employer have agreed that deficit funding contributions will be paid to the Scheme by the Employer of £100K per month from 1 January 2021 until 31 October 2028.

The Trustees of the RAF Benevolent Fund have granted a legal mortgage over the Charity's Head office at 67 Portland Place and 45 Devonshire Close, London, in favour of the Trustees of the SPF.

This charge is to secure future payments from the Charity to the SPF to extinguish the deficit. The obligation secured by the mortgage is in accordance with applicable statutory requirements. The Trustees have also complied with the requirements of section 124 of the Charities Act 2011 to obtain and consider proper advice.

A formal valuation of the property, which is held on a long lease (virtual freehold) interest, was carried out in August 2019 and the market value was placed at £11M. This property is shown at a net book value of £3.8M in the balance sheet.

22 Welfare programmes and External grants

	2023	2022
	£	£
GRANT FUNDING TO THE SERVING ROYAL AIR FORCE		
Station grants		
603 RAuxAF Sqn Edinburgh	500	1,100
RAF Akrotiri	4,000	600
RAF Aldergrove	300	9,800
RAF Benson	2,500	-
RAF Boulmer	1,000	600
MOD Boscombe Down	1,250	1,000
RAF Brize Norton	28,200	54,620
Cheltenham JSSU	-	500
RAF Coningsby	14,426	13,520
RAF Cosford	8,500	6,000
RAF College Cranwell	3,420	1,400
RAF Digby	15,824	3,700
BFSAI Falklands	750	500
RAF Fylingdales	500	1,000
RAF Gibraltar	-	3,312
Grantown-on-Spey RRC	-	300
RAF Halton	1,500	3,200
RAF Henlow	14,000	3,500
RAF High Wycombe	3,098	1,700
RAF Honington	6,887	12,802

	2023	2022
RAF Leeming	8,299	7,000
RAF Lossiemouth	3,200	1,700
RAF Marham	7,500	900
RAF Northolt	1,424	9,400
RAF Odiham	37,500	1,700
RAF Shawbury	3,301	1,000
MOD St Athan	301	1,000
RAF St Mawgan	3,000	10,500
RAF Valley	2,940	19,500
RAF Waddington	10,682	16,495
DMS Whittington	500	300
RAF Wittering	107,000	51,100
203 Sqn Brunei	750	-
602 Squadron RAuxAF	435	-
Chicksands DITG	12,724	-
Kings Camp SHAPE and Brunsumm	3,145	-
RAF Spadeadam	500	-
RAF Wyton	6,750	-
Worthy Down DCLPA	-	300
RAF(U) Swanwick	1,250	500
41 Op REIMAGE and 103 Op ILKANE	-	2,960
OneYMCA for three RAF stations	-	3,000
	317,856	246,509
TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE	317,856	246,509
	2023	2022
	£	£
CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE		
Airplay programme		
RAF stations - youth support programme	1,100,993	1,066,201
	1,100,993	1,066,201
General support		
RAF Families Federation	15,000	15,000
	15,000	15,000
RAF Episkopi	(2,005)	-
RAF Scampton	(58,280)	4,536
MOD Worthy Down	(2,170)	3,970
Grant Refund (RAF Shawbury)	-	(348,000)
TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE	1,053,538	741,707
TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	1,371,394	988,216

	2023	2022
	£	£
CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES		
Wellbeing partnerships		
Headspace (mental wellbeing)	74,100	72,675
Silver Line/Age UK	130,223	137,705
Work Stress Management (listening and counselling)	609,273	539,999
Manage Health (listening and counselling)	106	228,435
Relate (young people listening and counselling)	78,512	65,658
PAM (listening and counselling)	283,283	93,411
Workshop and coaching	4,680	12,000
	1,180,177	1,149,883
Relationship support		
Relate - relationship counselling/mediation	217,935	199,792
TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	1,398,112	1,349,675

	2023	2022
	£	£
GRANTS FUNDING TO THE VETERANS' COMMUNITIES		
AFCFT grant (Op UNITE)	54,992	42,708
Age Concern Spain - ACASA	5,000	5,000
Bridge For Heroes	-	4,000
Care after Combat	-	5,000
Combat Stress	80,581	87,813
Defence Medical Welfare Service	10,000	13,000
Fares4Free	-	5,000
Fighting with Pride	-	17,000
Improving Lives Plymouth	-	5,000
Military Wives Choir Foundation	-	7,500
National Gulf Veterans and Families Association	-	5,000
On Course Foundation	3,000	2,500
Poppy Scotland - ASAP	-	15,000
Project Propeller	-	(5,000)
RAF Widows' Association	35,580	34,015
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	26,537	38,214
Scotty's Little Soldiers	10,000	8,000
Slovak Western Front Army Veterans Widows	1,580	1,560
SSAFA, the Armed Forces Charity	21,792	20,550
Turn2Starboard	-	5,000
Veterans Outreach Support	-	9,000

	2023	2022
Waterloo Uncovered	-	1,800
Anxious Minds (Veteran Recovery College)	2,500	-
Eastern European Veterans - Poland	3,200	-
Eastern European Veterans - Slovakia	1,600	-
Lord Kitcheners Memorial Holiday	2,000	-
Lothians Veterans Centre	2,500	-
Polish Veterans Widow payment	2,068	-
RAF E-Sports	500	-
Taxi Charity for Military Veterans	3,500	-
Team Endeavour Racing UK CIC	5,000	-
The Orchestra of the Swan	3,400	-
Veterans Chaplaincy Scotland	2,500	-
Veterans Outdoors	4,000	-
We Are With You (formerly Addaction)	10,000	10,000
	291,830	337,660
Employment support		
The Poppy Factory	16,000	15,000
Regular Forces Employment Association	55,000	50,000
Walking With The Wounded	-	10,000
The Warrior Programme	-	5,000
	71,000	80,000
Housing support		
Broughton House	-	18,000
Lord Kitcheners Memorial Holiday Centre	-	7,000
Veterans Aid	-	15,000
Queen Elizabeth Hospital Birmingham Hospital Charity - Fisher House	10,000	-
	10,000	40,000
Residential and respite care		
Care for Veterans	20,000	18,000
	20,000	18,000
TOTAL GRANT FUNDING TO THE VETERANS' COMMUNITY	392,830	475,660
TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	3,162,334	2,813,551
Total contracted services	2,451,648	2,091,382
Total discretionary grants	710,686	722,169
TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	3,162,334	2,813,551

23 Statement of funds

	At 1 January 2023	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2023	Charity at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	88,164	17,876	(18,813)	3,990	(1,245)	89,971	75,195
Designated funds - see Note 24	27,911	409	(4,310)	634	45	24,689	16,859
Pension reserve	(3,056)	-	(113)	(835)	1,200	(2,804)	(2,804)
Total unrestricted funds	113,019	18,285	(23,236)	3,789	-	111,856	89,250
Restricted income funds - see Note 25	5,144	718	(896)	11	-	4,977	4,977
Endowment funds - see Note 26	5,958	-	-	18	-	5,976	5,976
Total funds	124,121	19,003	(24,132)	3,818	-	122,809	100,203

	At 1 January 2022	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2022	Charity at 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	93,577	21,383	(19,178)	(6,465)	(1,153)	88,164	73,342
Designated funds - see Note 24	29,062	1,344	(1,602)	(893)	-	27,911	20,735
Pension reserve	(13,465)	-	(232)	9,441	1,200	(3,056)	(3,056)
Total unrestricted funds	109,174	22,727	(21,012)	2,083	47	113,019	91,021
Restricted income funds - see Note 25	5,859	1,126	(1,472)	(322)	(47)	5,144	5,144
Endowment funds - see Note 26	6,930	-	-	(972)	-	5,958	5,958
Total funds	121,963	23,853	(22,484)	789	-	124,121	102,123

Unrestricted Funds

The sum of £24.7M (2022: £27.9M) is included in unrestricted funds and relates to the following designated reserves:

£7.8M (2022: £7.2M)	Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax free grant, payable at the discretion of the Fund.
£5.6M (2022: £7.0M)	Pension deficit recovery contributions based on a revised recovery plan to pay £100K per month up to October 2028.
£10.4M (2022: £12.8M)	Enhanced welfare provision to (1) advance our strategic ambitions (2) enhance our welfare delivery and (3) build on our success
£935k (2022: £935k)	Property Fund to be used to maintain the Charity's presence in Scotland as required.

The transfer of £1.2M (2022: £1.2M) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year.

Restricted Income Funds – Over £100K

Bomber Command Memorial	Maintenance of the Bomber Command Memorial in Green Park, Piccadilly
Gulf Trust	The funds are held in a ring-fenced fund for the benefit of RAF Gulf War Veterans
Lowe Trust	Supports Battle of Britain veterans and their descendants
RAF Disabled Holiday Trust	Providing holidays to severely disabled serving and ex-RAF personnel and their immediate dependants
Afghan Brain Injury	Support to veterans of Afghanistan who have sustained a brain injury
Armed Forces Covenant Fund – Operation Unite	To support the mental health of veterans who served in Afghanistan and Iraq

Endowment Funds – Over £100K

E H Jubb Fund	For the benefit of aircrew, their widows and dependants
Newton Driver Memorial Fund	For the maintenance and upkeep of property used as a home for members of the RAF and their dependants who are convalescent or disabled. If the income cannot be used for this purpose it can be applied for general purposes of the Fund.
Viscount Nuffield Endowment	Income used for general purposes
Hector Pilling Memorial Fund	To provide financial assistance for foundationers at the Duke of Kent School
RAF Prize Trust	To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service
Douglas Turner Benefaction	To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants
RAFBF Educational Endowment Fund	To promote the education of the children of members of the Royal Air Force
RAFBF Educational Expendable Fund	To promote the education of the children of members of the Royal Air Force
Peter Henry Slater-Eiggert Memorial Fund	For the benefit of ex-members and dependants of 83 Squadron
The Revd. James Edmund Strickland Memorial Fund	For the use of general purposes of the Royal Air Force Benevolent Fund

24 Designated funds

	At 1 January 2023	Income	Expenditure	Net gains	Transfers	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Pension deficit recovery contributions	7,000	-	(1,435)	-	-	5,565
Enhanced welfare provision	12,800	-	(2,441)	-	-	10,359
Property Fund for the Scotland office	935	-	-	-	-	935
Total designated funds - Charity	20,735	-	(3,876)	-	-	16,859
RAF Dependants Fund	7,176	1,043	(435)	-	45	7,829
Total designated funds - Group	27,911	1,043	(4,311)	-	45	24,688

	At 1 January 2022	Income	Expenditure	Net gains	Transfers	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Pension deficit recovery contributions	8,200	-	(1,200)	-	-	7,000
Enhanced welfare provision	12,800	-	-	-	-	12,800
Property Fund for the Scotland office	-	935	-	-	-	935
Total designated funds - Charity	21,000	935	(1,200)	-	-	20,735
RAF Dependants Fund	8,062	409	(1,295)	-	-	7,176
Total designated funds - Group	29,062	1,344	(2,495)	-	-	27,911

25 Restricted funds

The RAF Benevolent Fund is responsible for a large portfolio of restricted funds. We have disclosed any individual funds with an opening or closing balance of over £10,000. The remainder of funds are grouped together under Other grant making funds within the restriction they are committed to.

	As at 1 January 2023	Income	Expenditure /transfer	As at 31 December 2023	As at 1 January 2022	Income	Expenditure /transfer	As at 31 December 2022
	£	£	£	£	£	£	£	£
Education								
RAFBF Educational Endowment Fund	20,759	-	(20,759)	-	19,999	20,759	(19,999)	20,759
RAFBF Education	15,694	13,582	(29,276)	-	-	24,129	(8,435)	15,694
Other grant making funds	9,100	7,754	(16,854)	-	-	19,984	(10,884)	9,100
	45,553	21,336	(66,889)	-	19,999	64,872	(39,318)	45,553
Princess Marina House and respite care								
Other grant making funds	-	-	-	-	-	1,075	(1,075)	-
	-	-	-	-	-	1,075	(1,075)	-
Housing								
Housing Trust General Restricted Fund	81,875	62,415	(144,290)	-	78,975	256,010	(253,110)	81,875
	81,875	62,415	(144,290)	-	78,975	256,010	(253,110)	81,875
Other								
Bomber Command Memorial	2,785,284	72,394	(49,644)	2,808,034	2,955,897	223,708	(394,321)	2,785,284
Trustee General and Learning and Development	-	22,218	-	22,218	-	1,000	(1,000)	-
Gulf Trust	450,255	-	(72,620)	377,635	450,255	-	-	450,255
	3,235,539	94,612	(122,264)	3,207,887	3,406,152	224,708	(395,321)	3,235,539
Welfare Programmes								
Armed Forces Covenant Fund Trust (Operation Unite)	203,500	161,916	(166,058)	207,405	-	258,916	(55,416)	203,500
Airplay	15,206	112,716	(127,922)	-	-	85,605	(70,399)	15,206
The Red Arrows Trust Serving Family Breaks	10,000	-	(10,000)	-	-	10,000	-	10,000
Other grant making funds	5,164	2,090	(7,254)	-	29,052	16,526	(40,414)	5,164
Restricted to RAF Valley	13,684	-	-	13,684	32,684	-	(19,000)	13,684
	247,554	276,722	(311,234)	221,089	61,736	371,047	(185,229)	247,554
Individual welfare								
Afghan Brain Injury	227,223	-	-	227,223	227,223	-	-	227,223
RAF Disabled Holiday Trust	575,769	5,196	-	580,965	569,635	6,134	-	575,769
Fulmer Fund	50,506	-	-	50,506	66,102	-	(15,596)	50,506
Lowe Trust	572,209	-	-	572,209	572,209	-	-	572,209
Other grant making funds	12,945	236,320	(235,676)	5,542	89,253	209,199	(285,507)	12,945
B Browns CT Financial Assistance	-	32,500	(7,500)	25,000	-	-	-	-
Royal Observer Corps	95,057	-	(8,138)	86,919	111,516	-	(16,459)	95,057
	1,533,709	274,016	(251,314)	1,548,364	1,635,938	215,333	(317,562)	1,533,709
Respite care - LIBOR Funds								
Respite care property	-	-	-	-	128,574	(35,245)	(93,329)	-
Respite breaks and care hotels	-	-	-	-	254,413	(184,413)	(70,000)	-
Contribution to Community Engagement Workers	-	-	-	-	212,498	111,200	(323,698)	-
Domiciliary care regular	-	-	-	-	-	109,298	(109,298)	-
Management support	-	-	-	-	60,472	(840)	(59,632)	-
	-	-	-	-	655,957	-	(655,957)	-
Total restricted funds	5,144,230	729,101	(895,991)	4,977,340	5,858,757	1,133,045	(1,847,572)	5,144,230

26 Endowment funds

The purpose of funds exceeding £100,000 is set out under Note 23.

	As at 1 January 2023	Unrealised Gain/(loss)	As at 31 December 2023	As at 1 January 2022	Unrealised Gain/(loss)	As at 31 December 2022
	£	£	£	£	£	£
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	48,558	143	48,701	56,475	(7,917)	48,558
Pilot Officer James Erskine Cunning Memorial Fund	45,698	135	45,833	53,149	(7,451)	45,698
Flying Officer L S Delaney Trust	13,274	39	13,313	15,438	(2,164)	13,274
Paddy Finucane Memorial Fund	19,777	58	19,835	23,001	(3,224)	19,777
Louise Alice Kay Memorial Fund	40,854	121	40,975	47,515	(6,661)	40,854
Mosquito Memorial Fund	11,480	34	11,514	13,352	(1,872)	11,480
Flying Officer Douglas Frank Newsham Memorial Fund	36,474	108	36,582	42,421	(5,947)	36,474
Viscount Nuffield Endowment	1,055,919	3,118	1,059,037	1,228,074	(172,155)	1,055,919
Helen Mary Renton Fund	43,101	127	43,228	50,128	(7,027)	43,101
RAF Rugby Union Fund	50,688	150	50,838	58,952	(8,264)	50,688
Peter Henry Slater-Eiggert Memorial Fund	145,447	430	145,877	169,160	(23,713)	145,447
The Revd. James Edmund Strickland Memorial Fund	104,765	309	105,074	121,845	(17,080)	104,765
	1,616,035	4,772	1,620,807	1,879,510	(263,475)	1,616,035
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2,450	7	2,457	2,849	(399)	2,450
Frederick Eley Fund	4,720	14	4,734	5,490	(770)	4,720
Wing Commander J Higginson Fund	9,641	28	9,669	11,213	(1,572)	9,641
Peter Grattan Holt Memorial Fund	50,245	148	50,393	58,436	(8,191)	50,245
E H Jubb Fund	334,650	988	335,638	389,211	(54,561)	334,650
Middle East Relief Fund	42,739	126	42,865	49,707	(6,968)	42,739
Morley Fund	7,006	21	7,027	8,148	(1,142)	7,006
Orlebar Memorial Fund	7,927	23	7,950	9,220	(1,293)	7,927
Shattock Memorial Scholarship Fund	11,904	35	11,939	13,845	(1,941)	11,904
Wooding Memorial Fund	8,492	25	8,517	9,877	(1,385)	8,492
	479,774	1,415	481,189	557,996	(78,222)	479,774
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,144,024	6,332	2,150,356	2,493,582	(349,558)	2,144,024
Group Captain W E Purdin Memorial Fund	2,738	8	2,746	3,184	(446)	2,738
RAFBF Educational Endowment Fund	542,933	1,603	544,536	631,452	(88,519)	542,933
Douglas Turner Benefaction	129,237	382	129,619	150,307	(21,070)	129,237
	2,818,932	8,325	2,827,257	3,278,525	(459,593)	2,818,932
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jereham Memorial Fund	29,785	88	29,873	34,641	(4,856)	29,785
Hector Pilling Memorial Fund	631,099	1,864	632,963	733,992	(102,893)	631,099
RAF Prize Trust	241,178	712	241,890	280,499	(39,321)	241,178
RAFBF Educational Expendable Fund	142,469	421	142,890	165,697	(23,228)	142,469
	1,044,531	3,085	1,047,616	1,214,829	(170,298)	1,044,531
Total endowment funds	5,959,272	17,597	5,976,869	6,930,860	(971,588)	5,959,272

27 Subsidiary entities

The results of the Fund's wholly owned subsidiary entities are included within the Consolidated SOFA as follows:

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary Entities	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations	-	-	-	6	-	-	35	118	56	1	91	125
Investments	5	1	238	224	2	1	50	19	-	-	295	245
Other trading activities	73	147	-	-	-	-	-	-	-	-	73	147
Charitable activities	-	-	-	-	-	-	1,077	998	-	-	1,077	998
Profit on sale of properties	-	-	-	-	-	-	749	2,140	-	-	749	2,140
Subscriptions	-	-	171	179	35	35	-	-	-	-	206	214
	78	148	409	409	37	36	1,911	3,275	56	1	2,491	3,869
Expenditure on:												
Charitable activities	47	110	380	360	-	-	1,849	1,986	32	31	2,308	2,487
Other trading activities	28	31	-	-	-	-	-	-	-	-	28	31
Management and administration	3	7	54	42	37	36	-	-	-	-	94	85
	78	148	434	402	37	36	1,849	1,986	32	31	2,430	2,603
Net gains/(loss) on investment assets	-	-	634	(893)	-	-	-	-	5	6	639	(887)
Net result of subsidiary	-	-	609	(886)	-	-	62	1,289	29	(24)	700	379

RAFBF Trading Limited

Company number: 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The Company donated £47,632 to the Fund in 2023 (2022: £109,528). The inter-company balance owed to the Fund at year end was £111,913 (2022: £159,578). The net assets at year end were £1 (2022: £1).

RAF Dependants Fund

Charity number: 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 19 deaths in 2023 (2022:19). The death grant was £20,000 in each case. The inter-company balance owed to the Charity at year end was £21,956 (2022: £5,864). The net assets at year end were £7,829,762 (2022: £7,220,769).

RAF Dependants Income Trust Limited

Company number: 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were seven member deaths in 2023 (2022: 10) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2023 (2022: £nil). The inter-company balance owed to the Charity at year end was £26,177 (2022: £5,864). The net assets at year end were £3,339 (2022: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number: 1058896
Charity number: 264636
Scottish registered number: SCO38218

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund. The inter-company balance owed to the Fund at year end was £10,954 (2022: £9,497,644). The net assets at year end were £14,724,216 (2022: £14,662,567).

RAF Disabled Holiday Trust

Charity number: 286019

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK and Europe for its beneficiaries. RAF Benevolent Fund Gift in Kind amounted to £3,840 (2022: £nil).

The inter-company balance owed by the Charity at year end was £77,260 (2022: £49,750). The net assets at year end was £550,961 (2022: £521,779).

SUBSIDIARY ORGANISATIONS

RAF BENEVOLENT FUND HOUSING TRUST LIMITED

Companies House: 01058896

Charity Commission: 264636

OSCR: SC038218

Directors/Trustees:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Patrick Aylmer

Wing Commander Sarah Davis

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Emrys Rogers

RAFBF TRADING LIMITED

Companies House: 07768120

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Alison Benjamin

Graeme Craig (until 28 Mar 2023)

James Dooley

Jason Shauness (until 17 Mar 2023)

Air Commodore Paul Hughesdon
(from 28 Mar 2023 until 15 June 2023)

RAF DISABLED HOLIDAY TRUST

Charity Commission: 286019

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

RAF DEPENDANTS INCOME TRUST LIMITED

Companies House: 01285364

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Richard Cryer

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Squadron Leader Clive Martland

Group Captain Dawn Murty

RAF DEPENDANTS FUND

Charity Commission: 253492

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

Management Committee members:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Richard Cryer

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Squadron Leader Clive Alan Martland
(from 30 May 2023)

Group Captain Dawn Murty

Scheme Manager:

Andy Cairns (until 21 Apr 2023)

Dave Pinner (from 24 July 2023)

RAF BENEVOLENT FUND TRUSTEES LIMITED

Companies House: 00945083

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Patrick Aylmer

Wing Commander Sarah Davis

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Emrys Rogers

RAFBF PROPERTY COMPANY LIMITED (DORMANT)

Companies House: 10456754

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

ROYAL OBSERVER CORPS BENEVOLENT FUND (DORMANT)

Charity Commission: 209640

OSCR: SC037659

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)



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