



ROYAL AIR FORCE CENTRAL FUND ANNUAL REPORT



CONTENTS

- 2** REFERENCE AND ADMINISTRATIVE DETAILS
- 6** A MESSAGE FROM THE CHAIR
- 7** A MESSAGE FROM THE CEO
- 10** THE TRUSTEES' REPORT
- 14** PROPERTIES
- 17** PROGRESS AGAINST STRATEGIC OBJECTIVES
- 30** PLANS FOR FUTURE PERIODS
- 34** LEGAL STATUS AND ORGANISATION
- 37** MANAGEMENT AND COMMITTEES
- 41** RISK MANAGEMENT
- 43** REVIEW
- 46** TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS
- 51** STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022
- 52** BALANCE SHEET AS OF 31 DECEMBER 2022
- 53** STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022
- 54** NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Dr E Molloy	Chair
Warrant Officer J Crossley	
Mr J C Michaelson	
Mrs A Farmery	
Group Captain M Williams	
Group Captain C Baker	
Air Vice-Marshal J Ellis	Resigned 13 April 2022

FINANCE AND RISK COMMITTEE MEMBERS

Group Captain A Portlock	Chair
Group Captain M Williams	Trustee Member
Wing Commander K Tinkler	
Mr B Cartledge	
Group Captain S Brewin	

GRANTS COMMITTEE MEMBERS

Warrant Officer J Crossley	Chair & Trustee Member
Mr M Nurse	
Squadron Leader G MacKay	
Group Captain D Murty	Appointed 25 October 2022
Squadron Leader R McPhee	Appointed 22 March 2022
Warrant Officer E Kerslake	Appointed 22 March 2022
Warrant Officer G Evans	Appointed 22 March 2022
Squadron Leader F Maybury	Appointed 14 June 2022
Squadron Leader F Farthing	Appointed 25 October 2022
Warrant Officer A Thomas	Appointed 25 October 2022
Master Aircrew J Stone	Appointed 25 October 2022
Warrant Officer J Wall	Resigned 22 March 2022
Warrant Officer S Cotman	Resigned 22 March 2022
Squadron Leader C Spear	Resigned 22 March 2022
Squadron Leader R Causer	Resigned 22 March 2022
Group Captain C Owen	Resigned 22 March 2022
Squadron Leader P Luckett	Resigned 4 May 2022
Warrant Officer T Buxton	Resigned 14 June 2022
Warrant Officer M Ratten	Resigned 25 October 2022
Squadron Leader A Lynn	Resigned 25 October 2022

REMUNERATION COMMITTEE MEMBERS

Mrs A Farmery	Chair & Trustee Member
Group Captain M Williams	Trustee Member
Warrant Officer J Crossley	Trustee Member

INVESTMENT COMMITTEE MEMBERS

Mr J C Michaelson	Chair & Trustee Member
Mrs S Bridgeland	Trustee Member
Group Captain M Williams	Trustee Member
Mr J Brown	

PRINCIPAL OFFICERS OF THE CHARITY

Mrs N Graske	Company Secretary
Mr R Perriam	Chief Executive Officer

REGISTERED ADDRESS

Hurricane Block Headquarters
 Air Command
 RAF High Wycombe
 Buckinghamshire
 HP14 4UE

PRINCIPAL OFFICE

RAF Central Fund Danesfield
 New Lock Lane
 Henley Road
 Medmenham
 Buckinghamshire
 SL7 2EY



PROFESSIONAL ADVISORS

Lane Clark & Peacock LLP

95 Wigmore Street
London
W1U 1DQ

INVESTMENT MANAGERS

Marathon Distressed Credit Fund, LP
Savills Investment Management Ltd
Insight Investment Global ABS Fund
Baillie Gifford & Co Ltd
Legal and General Investment Management Ltd
Barings Global Investment Funds 2 Plc

Knightsbridge Advisers LLC
JP Morgan Ltd
CCLA Fund Managers Ltd
BNY Mellon Alternative Investment Services Ltd
Link Fund Administrators (Ireland) Ltd
IFM Investors

REGISTERED AUDITORS

Mazars LLP

6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

LEGAL ADVISORS

Charles Russell Speechlys LLP

5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP

2 Putney Hill
London
SW15 6AB

BANKERS

Barclays Bank

4 Waterside Way
The Lakes
Bedford Road
Northampton
NN4 7XD

2022



A MESSAGE FROM THE CHAIR

2022 was a year of opportunity at the RAF Central Fund. It was the first full year of uninterrupted sport and physical activity post the pandemic and therefore served as an ideal juncture for us to build an even stronger platform of support for the future.

During the previous two and a half years, the Central Fund had to pivot to new ways of working to meet the changing needs of our beneficiaries. Temporary changes to some of our processes and services during the pandemic proved popular enough for the team to adopt them on a full-time basis. These improvements resulted in us being able to support more serving personnel getting access to sport and physical opportunities in 2022.

Whilst we adapted our tactical delivery model, we also worked hard behind the scenes with our partners at the Directorate of RAF Sport (DRS) and the Sports Federation to explore how to improve the strategic model of sport in the RAF. While the benefits of this will be felt in 2023 and beyond, the foundations were laid in 2022. The two charity boards, chief executives and senior leadership teams focused on combining their respective skill sets to work together to create the right environment for building a smarter RAF sports ecosystem. This model should allow for decreased administrative burden and liability for sports associations, improved efficiencies and greater funding for all. It won't be quick or easy, but the teams are aligned in their desire to deliver this model in order that serving personnel of every ability in the RAF can benefit from improved access to sport and physical activity. At its highest level the model involves three phases:

1. The merging of the RAF Central Fund and RAF Sports Federation with the entity being called the RAF Central Fund.
2. The folding in of the RAF Sports Associations into the RAF Central Fund.
3. Leveraging the benefits of the simplified construct.

There are exciting opportunities underpinning the various phases, which include a framework improving the links between station sports and sports associations, and improved sponsorship opportunities for RAF Sport.

This work will not only help us to deliver our vision of enabling all serving RAF personnel to access sporting opportunities and physical activities but will also enable DRS to deliver their RAF Sport Strategy. It is unusual to have a win-win in the sports world but I am confident we will achieve just that.



Dr Eamonn Molloy
Chair, RAF Central Fund



A MESSAGE FROM THE CEO

Sport hit the ground running in 2022 with a return to business as usual for many disciplines. After two years of disruption, it was inspiring to see so much activity taking place as evidenced by the Central Fund team out supporting multiple fixtures ranging from motorsports to volleyball and lacrosse.

Also inspiring was the number of applications from stations for the inaugural RAF Central Fund Award at the 2022 RAF Sport Awards. There are some truly excellent sporting and physical activities being delivered at station level, which meant that the winning station had to submit something extraordinary to win. That bid came from RAF Coningsby in the form of Project Delapsus. This initiative supports frontline personnel by forward-basing PTIs on squadrons, using sustainable transport and mobile gyms to deliver sport to personnel at a time of their choosing.

RAF Coningsby had a busy couple of months as shortly after winning the award they were visited by HRH Prince William who, amongst other duties, met with the representatives of the women's football team and opened the new Central Fund supported boxing gym. He was also kind enough to remark how good it was that a charity like the RAF Central Fund existed to support serving personnel in their chosen sport.

Trustees Annual Reports usually paint an overly positive picture, however, we try to be as transparent as possible so it's only right to mention initiatives that didn't work as well as expected. Although we were one of the very first sporting organisations in the UK to partner with JoyMo to generate income for associations through televised sports events, the low take-up/interest levels from the RAF Sport associations meant that the trial did not progress further. Lessons were learned though, which have helped inform other opportunities.

Whilst we continue to explore contemporary ways to support sport and physical activity in the RAF, we are also looking at how we deliver those products and services. In 2022 we set about measuring our carbon footprint by calculating not only our direct impact but also our indirect impact through investments and sports associations. We have identified our United Nations sustainable goals and have written our action plan which will become more evident in 2023.

Our Chair has already noted the work that has gone into creating the new RAF Sport ecosystem and whilst the team continues to prepare for delivering Phase 2 in 2023, we already have an eye on Phase 3, so that we can set the conditions to leverage sport to the best effect for you all.

In the meantime, I wish you all a healthy and successful year of sport ahead.



Mr Ross Perriam
Chief Executive Officer, RAF Central Fund





The RAF Central Fund has been a consistent source of support throughout my time playing sport in the RAF. Through the charity's support of the Sports Associations and Station club funding to their Individual Sports Grants scheme. The financial assistance provided by the Fund has helped massively towards the kit required for my sports and goes a long way in relieving some of the stress that comes with making sure you have enough funding for the season ahead.

Cpl Phillip Morley-Jones

“

THANK YOU FOR THE AMAZING SUPPORT THAT YOU HAVE GIVEN US THROUGHOUT THE YEAR. IT REALLY HAS MADE A DIFFERENCE IN HELPING US TO ACHIEVE OUR SPORTING GOALS AND SET US UP FOR SUCCESS IN THE YEARS AHEAD.

”

As a beneficiary of the Fund's hard work myself, I am passionate about ways I can help people get involved and find the power of sport. None of my running opportunities or achievements would have been possible without the support of the RAF Central Fund.

Cpl Emily Brown (Reservist and RAF Central Fund Ambassador)



“

RAF VOLLEYBALL HAS ALWAYS BENEFITTED FROM THE CENTRAL FUND'S GENEROSITY AND I'D LIKE TO EXTEND MY THANKS TO THE TEAM FOR ALL YOUR WORK IN SUPPORTING OUR SPORTING ENDEAVOURS. THIS YEAR OUR WOMEN'S TEAM WON THE CROWN SERVICES IN MAY AND CAME A VERY CLOSE SECOND TO THE ARMY IN OUR INTER-SERVICES COMPETITION. SIMILARLY, OUR MEN'S TEAM WERE RUNNERS UP AT CROWNS, BUT WENT ON TO WIN THE INTER-SERVICES COMPETITION. YOUR FUNDING REALLY DOES MAKE A BIG DIFFERENCE.

”



None of my success in sport would have been possible without the help and support of the Central Fund; they continue to provide an unrivalled amount of support to RAF personnel to achieve their sporting achievements and for that I will be forever indebted to the charity, and everyone involved with it.

Sgt Danny Burke



ROYAL
AIRFORCE
equitation
RAF Leeming Sports Club

THE TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also directors of the Royal Air Force Central Fund for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice "Accounting & Reporting by Charities" (FRS102) and in line with current statutory requirements, the Charity's Constitution and applicable Accounting Standards in the United Kingdom.

CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Memorandum and Articles of Association defines the Fund's object as a charity that is:

Specifically restricted to the general benefit of members or former members of the Royal Air Force and their dependants in such charitable ways as the Trustees think fit.

This object presents the Trustees with wide powers, enabling them to provide charitable assistance to the RAF Community, primarily via charitable grants.

The core vision of the Fund, to provide support to those serving in the RAF today and on an enduring basis, continues to underpin the ethos and activities of the Charity. From the Fund's origins back in 1919, through to the present day, the Fund has remained steadfast in its duty to support those who serve in the RAF. Working directly alongside those we support ensures the Charity is able to remain focused on and react quickly to their evolving needs through amenities and sports provisions.



VISION

For all serving personnel to develop their full potential through sport and physical activity.

MISSION

To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden the Charity's understanding of how the challenges of service life affect the RAF community with regards to health and fitness.
- Develop and deliver flexible, accessible support programmes that reach those most in need.
- Significantly increase awareness of its work within the RAF community.
- Manage the Charity as effectively and efficiently as possible.
- Grow and sustain the resources required to meet the needs of its beneficiaries.



PUBLIC BENEFIT

The Trustees recognise the two principles of public benefit and believe that the objectives and activities of the Fund formally meet these principles.

“For all serving personnel to develop their full potential through sport and physical activity.”

Working towards this vision assists in the promotion of military efficiency which underpins esprit de corps and team working, whilst additionally encouraging personnel to develop the character, spirit and attitude to face challenges and danger associated with military service. As a result, the Fund provides a benefit not only to its direct beneficiary group but additionally to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public, at all times.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.





303

PROPERTIES

As a charity, the Fund is committed to working with serving personnel to find the best methods to enhance and support them as they work and live within the RAF community. One of the ways this is achieved is through its sporting centres and recreational accommodation, providing serving personnel bespoke venues for taking part in their sport or outdoor activity of choice.

FESHIEBRIDGE LODGES



Completely rebuilt in 2019, this recreational accommodation located near Aviemore in the Cairngorms National Park is prioritised for serving RAF personnel to use for holidays, outward bound courses and decompression.

2022 was the first year post pandemic restrictions that the site was open for the full 12-month period and saw an occupancy rate of 87%, of which 27% of the bookings were made by serving personnel.

"BEYOND EXPECTATIONS, GREAT VALUE"

“

THE LODGE WAS CLEAN, COSY, COMFORTABLE AND VERY WELL EQUIPPED. CAN'T WAIT TO BOOK OUR NEXT TRIP!

”

HALTON TENNIS CENTRE

Halton Tennis Centre is the Home for Sport for RAF Tennis and is used by RAF personnel for try outs, training and events. The property is owned by the Fund and leased to the RAF Tennis Association to provide members and their families with access to tennis facilities, coaching and competitions for all abilities.



VINE LANE

RAF Central Fund Vine Lane is used by RAF Cricket on an infrequent basis. The Fund are continuing to review how the cricket ground could be better utilised for the benefit of its beneficiaries, whilst taking into consideration the requirements of RAF Sport. Discussions continue with the Local Council to identify possible opportunities for the site. The potential financial, reputational and environmental impacts of a change of use are being considered as part of the review.



DANESFIELD

RAF Central Fund Danesfield is utilised daily by serving RAF personnel in order to take part in Robson Academy of Resilience training. Danesfield is also the Home for Sport for the RAF Rowing and RAF Canoeing Associations with regular training, club sessions and events taking place at the site. Due to the unique location of the site, the Fund is reviewing future opportunities.





NO
NO
NO

PROGRESS AGAINST STRATEGIC OBJECTIVES

BROADEN THE CHARITY'S UNDERSTANDING OF HOW THE CHALLENGES OF SERVICE LIFE AFFECT THE RAF COMMUNITY WITH REGARDS TO HEALTH AND FITNESS

The Fund attends biannual meetings for RAF charities hosted by the RAF's Deputy Commander of Capability to better understand the challenges and needs of the wider RAF community. Proposals were put forward from the Fund to help some of the other charities with their investment income strategies and clarity was given around the 'swim lane' that the Fund operates in so that support could be better targeted.

In addition, the Fund attends the biannual Sports Board meetings which comprise of multiple stakeholders to better understand the current needs and challenges facing RAF Sport. In 2022 discussions took place on emerging projects and updates from the Fund were given relating to current funding and support programmes.

In 2022 the Fund also attended:

36



**SPORT ASSOCIATION
MEETINGS/EVENTS**



16

**STATION
ENGAGEMENT
DAYS**



1

**RAF FAMILIES DAY
(BRIZE FEST)**



2

RAF AIRSHOWS

7

**HEALTH &
WELLBEING DAYS**



DEVELOP AND DELIVER FLEXIBLE, ACCESSIBLE SUPPORT PROGRAMMES THAT REACH THOSE MOST IN NEED

The Fund principally seeks to meet its objectives through the provision of support as a grant giving charity. The Grants programme is divided into three funding streams:

RAF SPORT ASSOCIATION GRANTS

Funding of RAF Sport Associations fulfils the charitable objectives of the Fund by:

- Increasing the number of serving personnel participating in sport and physical activities.
- Increasing the provision of sport and physical activity opportunities.
- Providing an opportunity for serving RAF personnel to detach from operational demands.
- Providing an increased sense of inclusivity within the RAF serving community.

2022 marked the first year of funding in the newly developed Joint Planning Process which operates on a three-year cycle to allow greater scope for the 54 RAF Sport Associations to develop long-term strategies. The approach has also involved a closer working relationship with the Directorate of RAF Sport and the Sports Federation so that the three agencies behind the delivery of RAF Sport are better aligned. 2022 also marked the first full year of RAF Sport Association activities post pandemic restrictions.

50

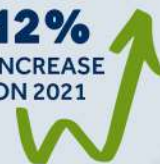
RAF SPORTS ASSOCIATIONS FUNDED

£1,211,493

VALUE OF ASSOCIATION FUNDING



12%
INCREASE
ON 2021



10,396*
PERSONNEL SUPPORTED

*Figure provided by the Sports Associations

ENRICHMENT GRANTS

The RAF Central Fund Enrichment Grant Programme supports personnel by traditionally awarding bids to stations and units to benefit the maximum number of personnel. The resumption of sporting activities across all stations post-pandemic brought about an increase in requests for charitable funding to support unit activities. Enrichment Grant funded projects included new equipment for station sports clubs such as archery kit for RAF Cosford and funding of capital projects, with the new boxing facility at RAF Coningsby being opened by His Royal Highness the Prince of Wales.

NUMBER OF **43** ENRICHMENT GRANTS

VALUE OF ENRICHMENT GRANTS **£362,464**

33% INCREASE ON 2021

18 RAF STATIONS SUPPORTED

11,500 PERSONNEL SUPPORTED

30 RAF CENTRAL FUND STATION AMBASSADORS



INDIVIDUAL SPORTS GRANTS

Following on from the 2020 survey to understand the challenges that service life poses on accessing sports and physical activity, the Fund continued its review of the Individual Sports Grant programme to ensure that it remains impactful, relevant and helps to address some of the challenges raised.

A focus group met in 2022 and the results included:

- Funding levels being reduced slightly so that more personnel could be supported.
- An additional pot of funding to be made available if affordable for exceptional once in a lifetime sporting opportunities.
- Ideas being noted to encourage personnel to be more active.

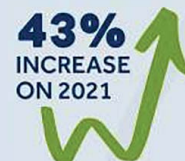
A survey was additionally sent out to all individual sports grant recipients to assess the impact of the grants. In relation to the grant programme enabling physical activity, enhancing their social life, relieving stress, helping mental health, increasing confidence and assisting with a healthy lifestyle, over 94% of respondents rated it "high" or "medium".

Specialist Sports continued to be the Fund's preferred supplier for Individual Sports Grants.

All Individual Sports Grants are endorsed and those that are a recognised association sport are endorsed by an appropriate committee member from the relevant association. In 2022, there were 193 association committee endorsers representing 54 sports.

TOTAL VALUE OF FUNDING AWARDED
(INCLUDING GROUP GRANTS AND SKI CHAMPS)

£597,882



2,393

INDIVIDUAL SPORTS
GRANTS AWARDED



911

RAF LEVEL
GRANTS

VALUE OF
RAF LEVEL
GRANTS

£338,081

1,481

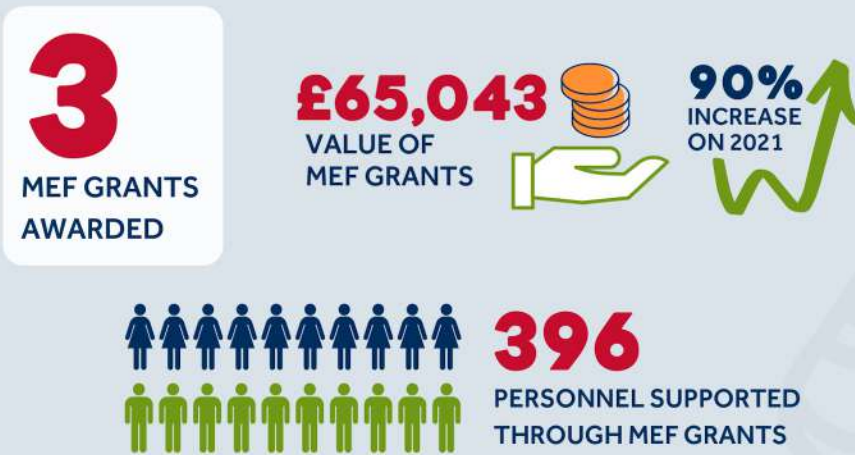
DEVELOPMENT
LEVEL GRANTS

VALUE OF
DEVELOPMENT
LEVEL GRANTS

£236,277

MECHANICS ENDOWMENT FUND

The Mechanics Endowment Fund (MEF) was amalgamated into the Fund in 2007, carrying the restriction that funds can only be utilised to provide benefit to RAF trainees, with an emphasis towards those trainees within the engineering disciplines where possible.



In 2022 the Fund continued to explore opportunities to collaborate with the RAF family of charities to generate mutually beneficial outcomes.

MANAGE THE CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE

In partnership with the RAF Directorate of Sport and the RAF Sports Federation, the launch of a three-year funding cycle in 2022 reduced the administrative burden on RAF Sport Associations whilst giving them greater visibility of funding and improved confidence to make longer term decisions. Furthermore, it gave the Fund an opportunity to pool resources with other funding providers resulting in more personnel being supported and, along with the launch of the Fund's RAF Station ambassador scheme, gave greater visibility to the future needs of our beneficiaries.

Partnerships are in place with sports equipment providers, clothing manufacturers, and other suppliers to help the funding pot go further in the years to come. The aim is to continue to be able to meet the needs of the Charity's beneficiaries whilst operating a balanced budget. Supplier reviews have also taken place to improve services to the Fund and its beneficiaries and to reduce costs where possible.

The Fund has continued to increase flexibility and productivity through hybrid working and cloud computing, ceasing the need for its office lease requirements entirely, with the resultant savings further helping to improve the efficiency of the charity. Training, appraisals and staff surveys took place to help ensure that staff feel supported and know that they are appreciated and valued, resulting in a dedicated and effective workforce.

The Ethnicity, Diversity and Inclusion plan has recently been updated and published on the website and is designed to promote fair opportunity for all and to ensure that the Fund benefits from as diverse a range of experience as possible.

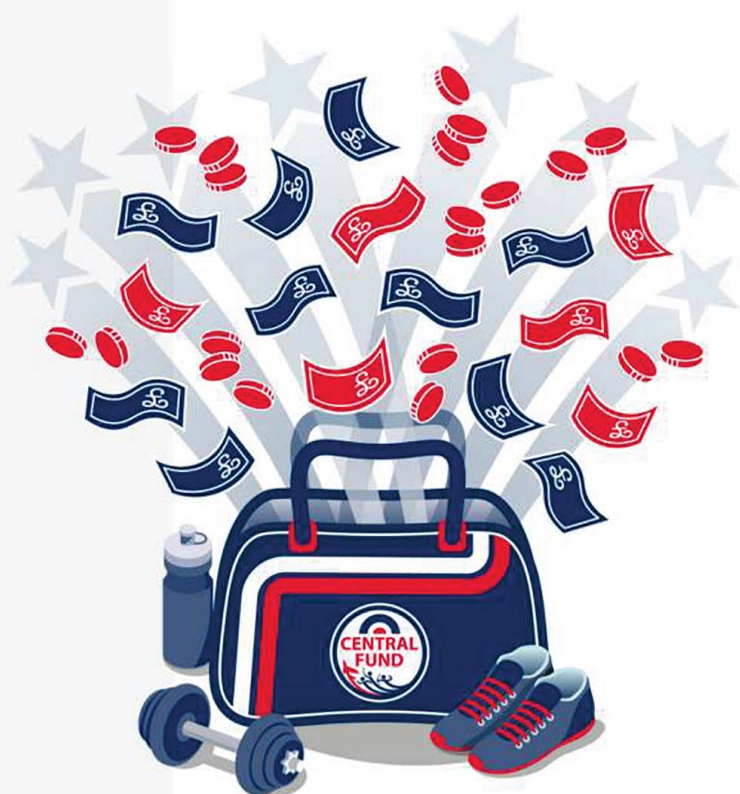
2022 witnessed the continuation of improvements of operational policies and processes as well as financial and charitable governance of the Fund. Attendance by team members at the annual Gambling Commission and Lottery Council events and various webinars and seminars, allowed for existing policies and processes to be reviewed and, where appropriate, updated. The year also saw the review of the Charity's current Environmental, Social and Governance (ESG) impact, with four Sustainable Development Goals identified to focus the Fund's future sustainability efforts as part of its target to achieve net zero by 2040. The Charity is committed to reducing its environmental impact, those within its direct control, as well as those indirectly arising from work with its beneficiaries, partners and suppliers.

GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF THE CHARITY'S BENEFICIARIES

THE RAF SPORTS LOTTERY

The RAF Sports Lottery, operating as a weekly Society Lottery, continues to be the number one source of income for the Fund. In 2022, there was a small increase in total players from 17,355 to 17,433 and overall gross Lottery income for the year was £2.9 million, which exceeded its budget.

The Lottery awards prizes totalling £18,000 each week and there were over 1040 winners in 2022. The cost of awarding these prizes, together with External Lottery Manager Fees and overhead costs totalled £1,201,137 (2021: £1,221,237) for the twelve months of play. The Lottery generated a net surplus during 2022 which was utilised in-year within the individual Sports Grant programme.



INVESTMENTS

The investment strategy seeks to protect in real terms the value of the investment portfolio at a level that will be able to deliver the desired income stream to finance expected annual expenditure.

In 2022, the strategy that was set out in 2021 enabled the charity to mitigate market volatility. The unrestricted investment income received in 2022 was £735,906 (2021: £740,715).

FUNDRAISING

To supplement the income generated by the RAF Sports Lottery, the Fund embarked on a three-year fundraising strategy to explore the level of additional income from more traditional fundraising initiatives. 2022 marked the final year of the current strategy and saw a small increase in total funds raised of £11,500 when compared with 2021.

- £191,000 Total Funds Raised
- £4,300 Donated by Specialist Sport
- £180,000 Legacy Donation

Working with partner suppliers of sports equipment and clothing also continued in 2022, with the Fund's preferred supplier Specialist Sports continuing to make donations to the Fund. Specialist Sports also provide a mechanism for the Fund to reconcile grants which in turn helps improve our charity's financial governance.



SIGNIFICANTLY INCREASE AWARENESS

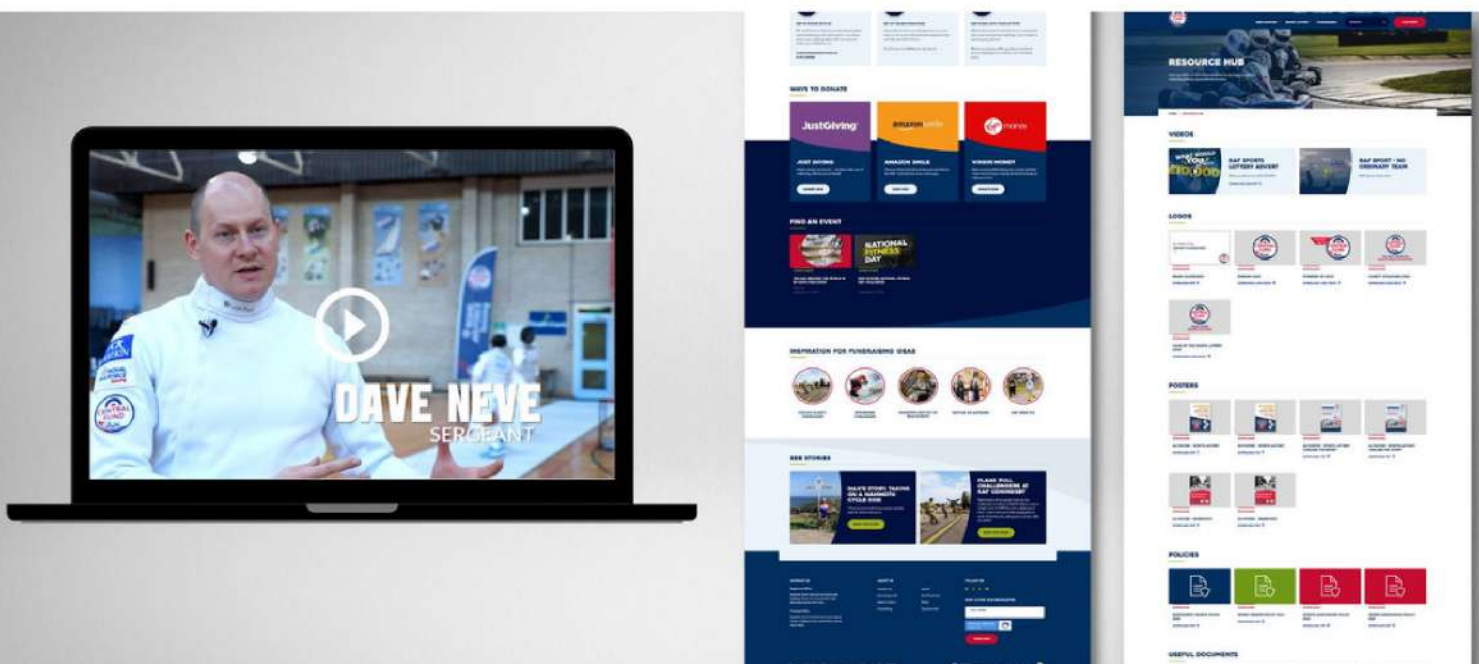
In 2022, the Fund's Marketing Department continued its work to promote the Charity through awareness raising of its funding programmes and promotion of the Sports Lottery so that more serving RAF personnel could benefit from the charitable income generated.

VIDEO

2022 saw the completion of a 5-minute film about the Fund that has proved to be a valuable communication tool and includes first-hand testimonials from beneficiaries. The video is hosted on YouTube and the RAFCF website where it can be downloaded and utilised for presentation opportunities or shown on station information screens.

WEBSITE

Data from the new charity website (delivered in Q3 2021) has demonstrated that by improving the user journey, overall traffic across the site has increased significantly. Page views are up by 17.5% with the most viewed pages being the RAF Sports Lottery page followed by Sports Grants. Traffic has also increased on the News page thanks to regular content production signposted through social media.



NEWSLETTER

Having spent considerable time overcoming issues to ensure emails distributed by a mass mailing system landed in MOD inboxes, the first of now monthly e-newsletters was issued in October 2022. Going out to a distribution list of circa 16,500, this regular communication enables engagement with beneficiaries and supporters and directly delivers on the Fund's objective to increase awareness of its work.

ADVERTISING

Half-page Sports Lottery adverts are run every two weeks in RAF News including adverts designed to grab the attention of former serving and reservists. A resumption in the production of RAF Active Magazine and a partnership between the publication and the Charity provided guest editorial opportunities and further Sports Lottery registrations through full-page adverts. Social media advertising was trialled towards the end of 2022 with more planned in 2023.

LOTTERY PRESENTATIONS

Regular briefs were delivered to new recruits about the Fund and the RAF Sports Lottery with presentations delivered at the Recruit Training Squadron (RTS) at RAF Halton and Initial Officer Training (IOT) at RAF Cranwell. Lottery registration was down slightly from 2021 across both groups which is believed to be a result of changes to the training programmes, with the average sign-up rate of RTS recruits falling from 75% to around 50%.



November 2022 Newsletter

RAF CONINGSBY SCOOPS THE INAUGURAL RAF CENTRAL FUND STATION SPORT AWARD



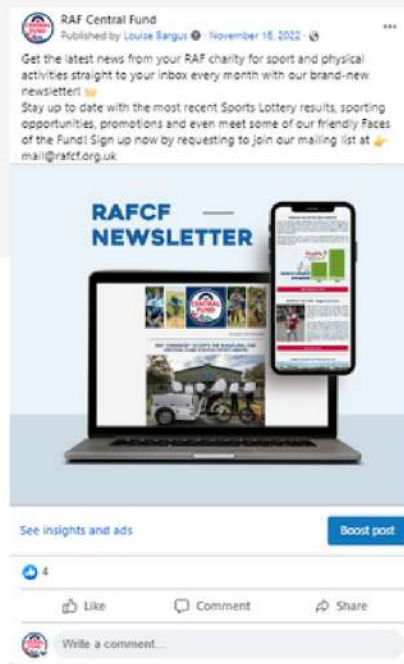
For the first time in its history, the RAF Sports Awards saw the inclusion of the RAF Central Fund Station Sport Award. Designed by our charity to recognise the best Station or Unit initiative that encourages and enables serving personnel to get physically active, RAF Coningsby were the first to claim the title for their Station's Coningsby Connected programme that offers support services for a

SOCIAL MEDIA

The Central Fund's social media presence continued to grow with the Charity's main Facebook channel seeing an 80.5% increase in reach and page visits up by 12% in 2022. Instagram also saw an increase in reach and page visits. Heightened activity on both channels was seen as a result of posts about the RAF Sport Awards.



Posts about the RAF Sport Awards saw our highest engagement levels of 2022.



Monthly newsletter launch promotion.



Faces of the Fund - stories from our beneficiaries highlighting our charity support.

Reach

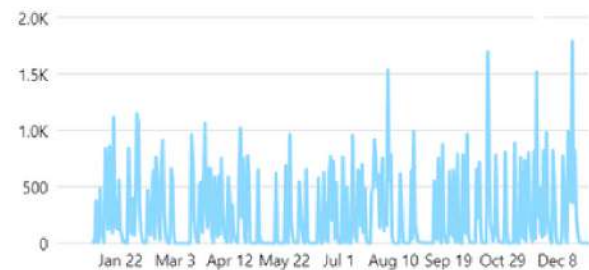
Facebook Page reach ⓘ

117,568 ↑ 91.1%



Instagram reach ⓘ

6,756 ↑ 80.2%



EVENTS

The Fund continues to have a presence at Station Health & Wellbeing days, but footfall remains low at these events possibly due to more hybrid working post pandemic. A stand was trialled for the first time at Brize Fest with a view to doing more Family Day events if successful. Whilst engagement was high, Sports Lottery sign up was low and future events will be assessed on a case-by-case basis. 2022 also saw a return to RAF air shows and an RAFCF stand was pitched at both Cosford Air Show and RIAT.

RAF SPORT AWARDS

The RAF Sport Awards are an annual celebration of sporting achievements across the Service including individuals, teams, officials and administrators. Making its debut this year was the RAF Central Fund Station Sport Award, designed to recognise the best Station initiative to encourage and enable serving personnel to get physically active. The inaugural award went to RAF Coningsby, recognising their 'Coningsby Connected' initiative - a multidisciplinary and flexible approach to physical and wellbeing provision.





2022

PLANS FOR FUTURE PERIODS

The core vision of the Fund, to support and enrich the lives of those serving in the RAF today and on an enduring basis, continues to underpin the charity's strategic and operational direction. As the Board of Trustees continue to refine and prioritise the direction of the Fund, its central mission and vision remains; to enable all serving RAF personnel to access sporting opportunities and physical activities with the aim of developing their full potential.

Within this wide-reaching objective, the following aims have been defined as the next steps of the Fund's strategy and fundamental for the period ending 2023:

- **PARTNER WITH OTHER CHARITIES TO IMPROVE THE FUND'S REACH AND CLOSE FUNDING GAPS THROUGH JOINT VENTURES**

2023 will see the coming together of the two charities that support the delivery of RAF sport with the RAF Sports Federation merging into the RAF Central Fund resulting in a simplification of processes for the RAF Sport Associations. Upon the successful completion of this piece of work, the Fund will look to start the phased amalgamation of the RAF Sports Association charities into the RAF Central Fund. This will result in a reduction in the administrative burden on beneficiaries, it will reduce charitable liabilities for association Trustees, and allow for better procurement and sponsorship opportunities to be enjoyed by serving personnel.

- **MANAGE THE CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE**

The delivery of the Fund's sustainability plan will begin to help ensure that not only will the charity be around for at least another 100 years but that its work does not impact on the environment during that time.

The Fund will continue to deliver and report on its work of representing the people we support by delivering on the charity's EDI action plan. This will ensure that the best people are recruited so the charity can be as effective as possible.

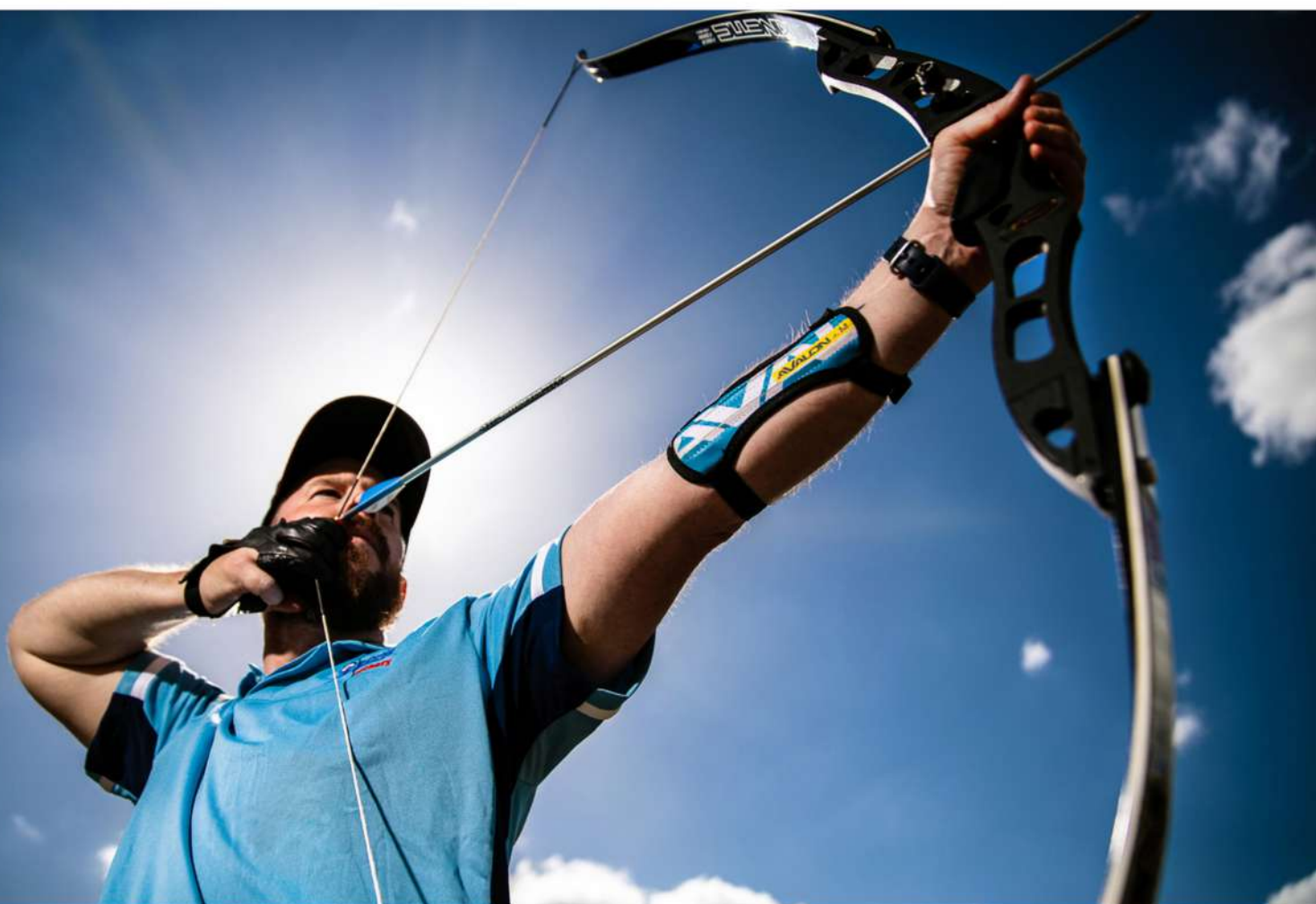


- **GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF BENEFICIARIES**

The charity will work with the RAF to deliver a CRM that will allow a greater understanding of who does (and therefore who does not) participate in sport in the RAF. This data will inform our approach to sponsors and future grant funding will set the conditions for exploring the value of a formal sports membership model. Whilst fundraising, investments and the Sports Lottery will continue to be the primary income generation tools for the Fund, a new focus will be initiated towards sponsorship opportunities.

- **INCREASE AWARENESS AND PARTICIPATION OF THE SPORTS LOTTERY**

The Lottery activities for 2023 will continue to deliver on the strategy of reaching new players with a focus on former-serving who left the RAF prior to it being run by an external society lottery provider and who were automatically cancelled upon departure.



• WORK TOWARDS BECOMING A NET ZERO ORGANISATION

In 2022, the Fund partnered with Pilio to help it set the conditions for becoming a net zero organisation. The RAF Central Fund, both as an organisation and as a charity supporting those on the frontlines of responding to this crisis, wants to do its part to support the transition to a sustainable future. The Fund identified the following four United Nations Sustainable Goals as those which it would be placing its focus on:

1. Good Health and Wellbeing.
2. Gender Equality.
3. Responsible Consumption and Production.
4. Climate Action.

As part of the process of creating an action plan to support climate responsible sport for RAF personnel, the following sustainability objectives were set:

- Measure and report our annual carbon footprint.
- Set a net zero target and roadmap.
- Decarbonise our properties, facilities, and events.
- Develop an understanding of the environmental impacts of the sports we fund and opportunities for improvement.
- Support and encourage our grant recipients on climate and environmental campaigns.
- Work with our existing partners and suppliers to understand their environmental credentials and identify ways to reduce impacts.
- Communicate and engage with our grant recipients and partners on the sustainability actions we are taking and that we can take collectively.

The team calculated the Funds current carbon footprint and, in order to reduce this, will be using the action plan and objectives to inform decisions relating to all future plans.





LEGAL STATUS AND ORGANISATION

CONSTITUTION

The Fund is a registered charitable company limited by guarantee, a company registered in England and Wales 8555984, a charity registered in England and Wales 1152560 and a charity registered in Scotland SC044299.

The Fund has one wholly owned subsidiary, RAF Central Fund Trading Ltd, which became active in 2018, details of which can be found at the back of this report.

GOVERNANCE

The Fund is governed by its Board of Trustees as established within its Memorandum and Articles of Association dated 4 June 2013 (as adopted by a special resolution passed as a written resolution on 29 March 2019). The Articles determine that the Board must consist of a minimum of three Trustees with a condition that a Serving Trustee cannot be appointed to the Board unless the number of non-Serving Trustees is at least equal to the number of Serving Trustees subsequent to the appointment.

Trustees are appointed by election at a Board General Meeting for a three-year term and can serve no more than three consecutive terms. A quorum of Trustees is required for the transaction of business which consists of at least two Non-Serving Trustees and two Serving Trustees unless there is only one Non-Serving Trustee appointed, whereby a quorum is one non-Serving and one Serving Trustee.

Trustees have established a clear policy and procedures for dealing with conflicts and the authorisation thereof, in accordance with Charity Commission guidelines.



TRUSTEE INDUCTION AND TRAINING

All new trustees receive a personalised induction programme. The programme is designed to cover the key strategic aims of the Charity, its operational framework, finances, and future plans. The induction additionally provides details of the Charity's regulatory and statutory reporting requirements, including those of the Charity Commission, OSCR and Companies House.

The Trustees are invited to an annual 'Away-Day' during which they review any significant updates of regulatory or governance importance. Trustees are encouraged to visit all Fund properties within twelve months of appointment and are invited to attend a Grants Committee and Finance and Risk Committee meeting within the first year of appointment.

Trustees are additionally invited to attend internal and suitable external Trustee training courses to ensure an appropriate and on-going understanding is maintained within the Board with regards to significant issues such as: governance; the role and responsibilities of the Trustees; understanding charity finance and investments; identifying and managing risks and strategic planning.





MANAGEMENT AND COMMITTEES

The Board of Trustees is responsible for setting the strategic direction of the Fund whilst the day-to-day management of the Fund is the responsibility of the Chief Executive Officer.

The Chief Executive Officer has delegated authority to determine operating policies, manage operational planning, budgets, property and staffing resources to support the strategic and policy framework of the Board and is responsible for the effective and efficient management of the Fund.

Trustees delegate authority to the Chief Executive Officer and the Chief Operating Officer to authorise budgeted expenditure to a limit of £50,000 and to approve items of un-budgeted expenditure subject to an individual item maximum of £50,000 where this does not represent more than a 10% variance from approved financial forecasts. Details of significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

The Trustees of the Fund have constituted four Committees: the Finance and Risk Committee; the Grants Committee; the Investment Committee and the Remuneration Committee in accordance with paragraph 11 of the Fund's Articles of Association. The Fund's Trustees set clear terms of reference for the Committees and receive regular reports on their activities.



THE FINANCE AND RISK COMMITTEE

The Trustees delegate the oversight of the Fund's finance and risk governance and policies to the Finance and Risk Committee and to ensure these are aligned with the Fund's charitable and strategic objectives. The Committee is required to meet at least biannually and met three times during 2022 to implement the Fund's financial strategy.

The Trustees delegate authority to the Committee to approve budgeted expenditure in excess of £50,000 and major single items of unbudgeted expenditure to a maximum of £50,000, subject to an annual limit of £200,000. Details of all significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

THE GRANTS COMMITTEE

The Trustees delegate the disbursement of grants to the Grants Committee. The Grants Committee is required to meet at least biannually and met virtually to consider awards on three occasions during 2022.

The Fund Trustees have delegated authority to award single grants up to £50,000 within the limits of their annual budget to the Committee. Details of Committee-considered grants are presented to the Trustees at every Trustee meeting.

Where possible, a station contribution is made by capital project applicants and all requests for funding must be supported by an application which includes details of project delivery, maintenance costs and a realistic business case where applicable.

The Fund seeks to work closely with other Service charities such as the Nuffield Trust, the RAF Benevolent Fund, the RAF Charitable Trust and the Royal Air Forces Association to provide maximised benefit to the serving RAF community. For projects that benefit personnel across multiple services, the Fund works closely with the Army and Navy charities to ensure inclusivity across Defence.



THE REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the remuneration of the Fund's senior management and employees.

Meeting annually, the Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations, including key management personnel, based on an annual review of sector benchmarks. The Committee remain cognisant of the Fund's intent to attract and retain talented and committed employees who can help the Fund realise its objectives to maximise support to RAF personnel both now and into the future. To achieve this, the Remuneration Committee seeks to ensure salaries reflect the appropriate market rate of pay for a comparable job in the relevant job market and are subject to regular review to ensure employee rewards remain appropriate.

THE INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the Funds' investments. The Committee is required to meet biannually and met five times during 2022 to continue the implementation of the Fund's Investment strategy.

The Committee is established to oversee the Fund's investment governance, including philosophy, risk appetite and policies, and ensure these are aligned with the Fund's charitable and strategic objectives. The Trustees authorise the Committee to monitor the Fund's investments against the Fund's investment philosophy, risk appetite and policies.





RISK MANAGEMENT

The Trustees review the major risks facing the Fund within the annual business planning process and to identify significant risks to the Fund, implementing procedures to both mitigate risk and to minimise potential impact should they materialise. In addition to pre-existing ones, in 2022 the Trustees identified the following new risk:

- Merging with Sports Federation places additional risks on the Fund

The merger risk is being mitigated by a separate risk register which currently contains 18 identified risks each with specific mitigating actions.

INFLATION

The 2023 budget was set in late Q3 2022 in line with predicted increased Consumer Price Index of 10%. Since then, this level has slightly further increased but within acceptable levels. The Trustees have added excessive inflation to the risk register and, with the Executive, set in place a series of measures to mitigate this risk.



2022



REVIEW

LONG TERM INCOME PROTECTION

The investment strategy provides long term income protection and preserves in real terms the principal value of the investment portfolio to meet expected annual expenditure.

When changes to the market occur, the strategy is reviewed to ensure the funds invested continue to meet forecast yields and estimated income needs.

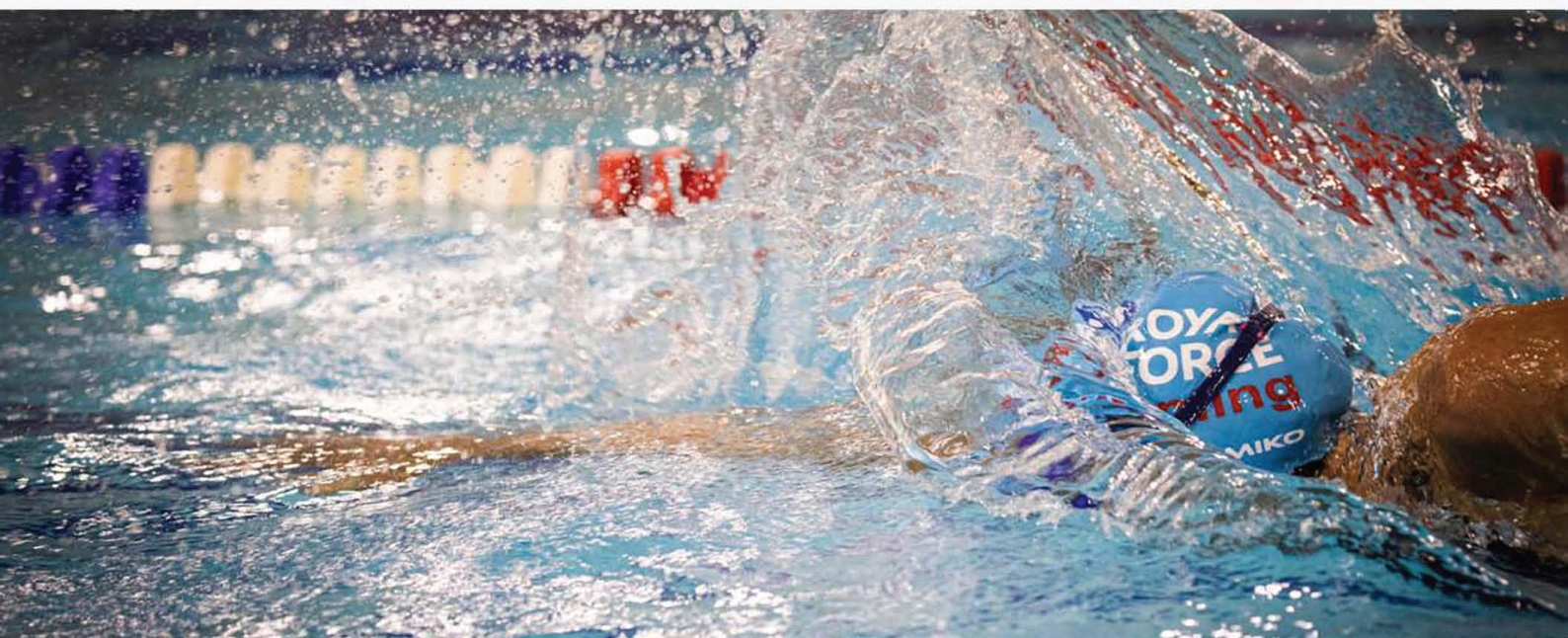
DIRECT COSTS

Direct costs have routinely been met from unrestricted investment income generated in the year of application. Trustees have therefore been content to maintain zero unrestricted reserves. The balance of the expendable endowed fund at year-end was £46,048,510 (2021: £47,605,346), of which £42,533,342 (2021: £44,559,177) represented invested funds.

The Fund has the following restricted fund:

- **Mechanics Endowment Fund**

Funds whereby expenditure is restricted for the benefit of RAF trainees, especially those in the engineering disciplines.



FINANCIAL RESERVES

The application of the long-term income protection policy has historically allowed the Fund to maintain the expendable endowment fund at a level whereby the Trustees have been able to apply a policy of meeting direct expenditure through application of the investment income generated.

To generate income to support the enrichment grants programme and Fund administrative, governance and support costs and being cognisant of specialist advice regarding investment income returns, the Board deem it appropriate and necessary to maintain invested reserves at a level of approximately £45 million within total reserves of approximately £46 million.

At the year-end the Fund held total reserves of £46,525,631 including invested reserves of £43,010,563. The Trustees are content that the closing 2022 reserves balance of £46,525,631 is appropriate, given the current volatility in the investment markets and economic climate.

The reserves policy is subject to annual review. The balance sheet confirms that the Fund has adequate working capital to meet any obligations as they fall due.





TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the Trustees (who are also directors of the Royal Air Force Central Fund for the purposes of company law) to prepare financial statements that give a true and fair view of the situation of the charitable company at the end of the financial year and of its deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make sound judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and Statements of Recommended Practice 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 Charity will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees are also responsible for the safeguarding of the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



In accordance with Company law, the Fund's Trustees certify:

- There is no relevant audit information of which the Fund's auditors are unaware.
- The Trustees of the Fund have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of the information.

RAF Central Fund complies with the Fundraising Standards Board Requirements and only utilising agencies that are compliant with the Fundraising Regulations. We aim to meet the highest standards so that supporters and volunteers give and fundraise for the Fund with confidence. No complaints have been received in respect of fundraising during 2022.

AUDITORS

Mazars LLP acted as the Fund auditors during the year.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The Trustees' and Strategic Report for the year ended 31 December 2022 was approved by the Trustees in their capacity as the Company Directors and signed on behalf of the Trustees:



Group Captain M Williams
Trustee and Member of the Finance and Risk Committee

Dated: 18 July 2023



2022



Independent auditor's report to the members of Royal Air Force Central Fund

Opinion

We have audited the financial statements of Royal Air Force Central Fund ('the parent charity') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charity's affairs as at 31 December 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis 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 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's or the parent charity's ability to continue as a going concern for a period of at least twelve 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 46 – 47, the trustees (who are also the directors of the parent charity for the purposes of company law) 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's 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect of non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as The Charities Statement of Recommended Practice and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date: 26 September 2023

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2022

	Note	Unrestricted Fund £	Expendable Endowment Fund £	Restricted Fund £	Total 2022 £	Total 2021 £
Income	2					
Donations		370,952	-	-	370,952	179,506
Charitable Activities		264,374	-	-	264,374	98,894
Trading Activities		3,067,206	-	-	3,067,206	3,118,944
Investment Income		735,906	-	1,444	737,350	741,234
Other Income		2,440	-	-	2,440	28,312
Total Income		4,440,878	-	1,444	4,442,322	4,166,890
Expenditure	3					
Charitable Activities		2,918,060	-	65,043	2,983,103	3,048,678
Raising Funds						
Sports Lottery Operations & Fundraising Trading		1,199,957	-	-	1,199,957	1,227,638
Trading Activities		124,904	-	-	124,904	59,162
Investment Management Costs		-	341,566	-	341,566	293,427
Total Expenditure		4,242,921	341,566	65,043	4,649,530	4,628,905
Net loss on investments	10	-	-1,413,227	-	-1,413,227	3,838,484
Net Income/(Expenditure)		197,957	-1,754,793	-63,599	-1,620,435	3,376,469
Transfers between Funds		-197,957	197,957	-	-	-
Net Movement in Funds		-	-1,556,836	-63,599	-1,620,435	3,376,469
Total Funds Bought Forward		-	47,605,346	540,720	48,146,066	44,769,597
Total Funds Carried Forward		-	46,048,510	477,121	46,525,631	48,146,066

There were no recognised gains or losses in either year other than those included in the Statement of Financial Activities.

All income and expenditure is derived from continuing activities in both years.

The notes on pages 54 to 68 form part of these financial statements.

Consolidated and Charity Balance Sheets as at 31 December 2022

	Note	Group Total 2022 £	Group Total 2021 £	Charity Total 2022	Charity Total 2021
Fixed Assets:					
Intangible Assets	8	9,253	21,506	9,253	21,506
Tangible Assets	9	1,659,427	1,733,337	1,659,427	1,733,337
Heritage Assets	9	47,016	47,016	47,016	47,016
Investments	10	43,010,563	45,125,897	43,010,563	45,125,897
Total Fixed Assets		44,726,259	46,927,756	44,726,259	46,927,846
Current Assets:					
Debtors	11	549,680	512,125	493,152	432,290
Cash at Bank and in Hand		2,676,184	2,256,047	2,643,847	2,056,462
Investments	10	-	-	-	-
Total Current Assets		3,225,864	2,768,172	3,136,999	2,488,752
Creditors: Amounts Falling due Within One Year	12	1,426,492	1,549,862	1,353,281	1,455,695
Net Current Assets		1,799,372	1,218,310	1,783,718	1,033,057
Total Assets less Current Liabilities		46,048,510	48,146,066	46,509,977	47,960,813
Net Assets		46,048,510	48,146,066	46,509,977	47,960,813
Reserves					
Expendable Endowment Funds	13	46,048,510	47,605,346	46,032,856	47,420,093
Restricted Funds		477,121	540,720	477,121	540,720
Total Funds		46,525,631	48,146,066	46,509,977	47,960,813

The Financial Statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The notes on pages 54 - 69 form part of these Financial Statements. The Financial Statements on pages 51 - 69 were approved by the Board of Trustees on 18th July 2023 and were signed on their behalf by:



Group Captain M Williams
Trustee and Chair of the Finance and Risk Committee

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	2022 £	2021 £
Cash flow from Operating Activities		
Net cash used in operating activities	-673,866	-456,181
Cash flows from Investing Activities:		
Dividend Receipts	735,906	741,234
Investment management costs	-113,195	-293,427
Fixed asset Additions	-3,887	-29,135
Intangible fixed asset additions	-	-18,505
Proceeds from Sale of Investments	7,678,182	39,989,015
Payment for Purchase of Investments	-7,203,003	-39,284,749
Net cash provided by investing activities	1,094,003	1,104,433
Change in Cash & Cash Equivalents	420,137	648,252
Cash & Cash Equivalents at 1 January	2,256,047	1,607,795
Cash & Cash Equivalents as at 31 December	2,676,184	2,256,047

Notes to the Cash Flow Statement

Reconciliation of net (Expenditure)/Income to net cash flow from operating activities

	2022 £	2021 £
Net (Expenditure)/Income for the period	-1,620,435	3,376,469
Adjustment for:		
Loss/(Gains) on Investments	1,413,227	-3,838,484
Investment Income	-737,350	-741,234
Investment Management Fees	341,566	293,427
Depreciation/Amortisation	90,050	128,896
(Increase)/ Decrease in Debtors	-37,555	512,855
(Decrease) in Other Creditors	-123,369	-188,110
Net Cash used in operating activities	-673,866	-456,181

Analysis of Cash & Cash Equivalents

	31 December 2021 £	Cash flow £	31 December 2022 £
Cash in hand	2,256,047	420,137	2,676,184
Total Cash & Cash Equivalents	2,256,047	420,137	2,676,184

Notes to the Financial Statements for the Year to 31 December 2022

Principal Accounting Policies 2022

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom, the Accounting Regulations issued under the Charities Act 2011, the Statement of Recommended Practice: "Accounting and Reporting by Charities (FRS102)" and the Companies Act 2006. A summary of the significant accounting policies is set out below.

The RAF Central Fund meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees consider it appropriate for these accounts to be prepared on the going concern basis.

The trustees have reviewed detailed cash flow projections to 30 June 2024 and have agreed detailed budgets for the year ended 31 December 2023. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the Fund is to support current RAF personnel through individual grants and grants to the sports associations, the level of this necessary expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Historical Cost Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market values and are in accordance with the Statement of Recommended Practice. "Accounting and Reporting by Charities (FRS102)", applicable Accounting Standards and the Charities Act 2011.

Consolidation

The wholly owned trading subsidiary of the Royal Air Force Central Fund, the Royal Air Force Central Fund Trading Ltd (company number: 08747522) became non-dormant in 2018. On this basis, the financial statements are consolidated.

Income

Investment income is accounted for when received and comprises dividend income and interest on cash deposits.

Endowed grants are funds returned to the charity following the rare occurrence of a closure of an RAF unit and are recognised as soon as receipt is probable and the value of the returned grant monies can be reliably measured.

Other income is recognised on an accruals basis in accordance with the income recognition requirements of FRS102.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the charity to make payment. All costs have been directly attributed to the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Costs of raising funds includes investment manager's fees, the costs of running the RAF Sports Lottery, including prizes and the costs incurred in marketing the Sports Lottery.

Notes to the Financial Statements for the Year to 31 December 2022

Expenditure (continued)

Charitable activities consists of grant awards and associated direct and indirectly allocated support costs. Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity.

Taxation Status

The charity is exempt from corporation or income taxation based on the charity applying all of its income and gains for wholly charitable purposes.

Intangible Fixed Assets

Intangible Fixed assets are measured at cost less accumulated amortisation.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- How the software will generate probable future economic benefits;
- The availability of adequate resources to complete the development and use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

- Software development costs 2 years;
- Intangible assets are not subject to amortisation in the year of recognition, with a full year charged each period thereafter.

Notes to the Financial Statements for the Year to 31 December 2022

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Due to the unique nature of the charity's properties, they are held at carrying value as there is no available market value or methodology to reliably measure their fair values. The Trustees consider that the realisable value of the property is well in excess of its carrying value and accordingly any depreciation charge is immaterial.

It is the Fund's policy to capitalise all assets with a combined purchase value in excess of £5,000.

Depreciation is calculated on a straight line basis across the expected useful life of the asset class:

Website and Application Development	2 years
Computers and Information Technology	3 years
Fixtures & Fittings	10 years
Buildings	30 years

Depreciation is not charged in the year of acquisition, with a full year charged in the year of disposal.

The charity owns a number of items of heritage silverware, including the Fincastle Trophy and Gill Sword which are loaned to RAF Messes, units and individuals to promote and support esprit de corps. These items hold significant cultural importance to the Royal Air Force and are capitalised in the accounts in line with their insurance valuation and are not depreciated due to the enduring life scale. The Fund additionally owns two paintings which hang in the Ministry of Defence building in London.

Investments and Gains and Losses on Investments Assets

Quoted investments and investment property are stated at market value at the balance sheet date.

Gains and losses arising on investment assets, both through sale and changes in valuation, are taken to the Statement of Financial Activities in the year they occur. Gains include cash rebates received by the charity for retail investment management fees arising from holding in-house funds; the charity pays institutional investment management fees based on the capital value of the charity's investment portfolio.

Funds Structure

The expendable endowment fund represents the original capital of the charity. This is maintained wherever possible. Income from the endowment fund is unrestricted.

The restricted fund represents the Mechanics Fund. These funds may only be used for the benefit of trainees, especially those in the engineering disciplines.

Pensions

The Fund operates a defined contribution workplace pension scheme for the benefit of all eligible employees.

The assets of the scheme are administered by an independent pension provider, with employer pension payments recognised as an expense during the year of payment.

Since 2014 the charity makes contributions towards the costs of pensions being paid to previous past employees of a by analogy Principal Civil Service Pension Scheme (PCSPS). Entry to the scheme is closed to new employees of the charity.

Notes to the Financial Statements for the year-ended 31 December 2022

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2021

	Unrestricted Fund £	Designated Fund £	Expendable Endowment Fund £	Restricted Fund £	Total 2021 £
Income					
Donations	134,506	45,000	-	-	179,506
Charitable Activities	2,119	96,775	-	-	98,894
Trading Activities	239,123	2,879,821	-	-	3,118,944
Investment Income	740,715	506	-	13	741,234
Other Income	28,312	-	-	-	28,312
Total Income	1,144,775	3,022,102	-	13	4,166,890
Expenditure					
Charitable Activities	1,332,311	1,682,091	-	34,276	3,048,678
Raising Funds					
Sports Lottery Operations & Fundraising Trading	6,401	1,221,237	-	-	1,227,638
Trading Activity	59,162	-	-	-	59,162
Investment Management Costs	-	-	293,427	-	293,427
Total Expenditure	1,397,874	2,903,328	293,427	34,276	4,628,905
Net gains on investments	-	-	3,838,484	-	3,838,484
Net (Expenditure)/Income	-253,099	118,774	3,545,057	-34,263	3,376,469
Transfers between Funds	253,099	-353,424	100,325	-	-
Net Movement in Funds Total	-	-234,650	3,645,382	-34,263	3,376,469
Funds Bought Forward Total	-	3,819,692	40,374,922	574,983	44,769,597
Funds Carried Forward	-	3,585,042	44,020,304	540,720	48,146,066

Note 2 Income

Analysis		2022	2021
		£	£
Donations	Donations	370,952	179,506
	Government Grant	-	-
	Total	370,952	179,506
Charitable Activities	Returned Grants	264,374	98,894
	Hire of Fund Welfare Facilities	-	-
	Total	264,374	98,894
Trading Activities	Lottery Ticket Sales	2,896,177	2,879,821
	Other Trading Income	171,029	239,123
	Total	3,067,206	3,118,944
Investment Income	Dividends on Investments	737,350	741,234
	Investment Dividend Tax Reclaims	-	-
	Total	737,350	741,234
Other Income	Miscellaneous Receipts	2,440	28,312
	Creditor Write-off	-	-
	Total	2,440	28,312

All Amounts relate to unrestricted income with the exception of £1,444 (2021: £13) of investment income which is allocated to restricted funds.

Note 3 Expenditure

Analysis		2022	2021
		£	£
Raising Funds	RAF Sports Lottery Operations	1,201,137	1,221,237
	Fundraising Activity	-1,180	6,401
	Investment Management Fees	341,566	293,427
	Trading Company Activity	124,904	59,162
	Total	1,666,427	1,580,227
Charitable Activities*	Enrichment Facilities and Projects	143,125	248,876
	Sports Association Grants	1,397,609	1,207,114
	Development Through Sports Grants	897,871	474,977
	Sports Facilities	541,372	429,205
	Grants to Service Support Charities	3,126	688,506
Total	2,983,103	3,048,678	

* See Note 4 for analysis of support costs

Note 4 Support Costs

	Raising Funds £	Charitable Activity £	Total Cost 2022 £	Total Cost 2021 £
Staff Costs	95,715	390,041	485,756	469,978
Other Costs	36,857	247,233	284,090	236,206
Total	132,572	637,274	769,846	706,184

The support cost elements of staff and other expenses have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated directly to activities, they are apportioned by the estimated percentage of time spent by each employee on each activity.

Support costs are included in the overall expenditure totals for each activity at Note 3.

Note 5 Audit Fees

	2022 £	2021 £
Auditors' Fees for Reporting on the Accounts - Charity	15,840	14,400
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	2,500	1,800
Other fees payable to auditors	4,173	6,110
Total	22,513	22,310

Note 6 Trustees & Employees

6.1 Staff Costs	2022 £	2021 £
Wages and Salaries	434,015	422,411
Employer's National Insurance Costs	43,059	39,402
Employer's Pension Costs	8,681	8,165
Total Staff Costs	485,756	469,978

Note 6.1 (continued)

1 employee earned between £70,001 and £80,000 during the period (2021: 1, 60,001 and £70,000).

1 employee earned between £110,001 and £120,000 during the period (2021: 1, 100,001 and 110,000).

The Fund made payment to its key management personnel of £181,153 during 2022 (2021: £177,244).

6.2 Average Headcount

	2022 Average	2021 Average
Full-Time	8.00	9.60
Part-Time	4.00	2.30
Total	12.00	11.90

6.3 Payments to Trustees

Trustees neither received nor waived any emoluments during 2022 (2021: £nil). Out of pocket expenses were reimbursed to Trustees amounting to £120.70 (2021: £Nil).

Note 7 Grants

	Grants 2022 £	Support Costs 2022 £	Total Grants 2022 £	Total Grants 2021 £
Enrichment Facilities and Projects	19,521	123,604	143,125	248,876
Sports Association Grants	1,223,003	174,606	1,397,609	1,207,114
Development Through Sports Grants	759,740	158,130	897,870	474,977
Sports Facilities	343,565	197,807	541,372	429,205
Grants to Service Support Charities	-	3,127	3,127	688,506
Total	2,345,829	637,274	2,983,103	3,048,678

Note 7 Grants (continued)

Grants made to Institutions

Grants Institutions with a value in excess of £25,000 are shown individually:

	Grant Award 2022 £	Grant Award 2021 £
RAF Akrotiri	-	53,000
RAF Benson	-	39,586
RAF Boulmer	-	54,027
RAF Brize Norton	-	64,935
RAF Coningsby	35,268	38,480
RAF Cosford	67,943	55,785
RAF Cranwell	50,000	29,316
RAF Halton	-	54,399
RAF High Wycombe	-	33,996
RAF Honington	-	38,300
Deployed Forces	29,415	91,873
RAF Leeming	24,660	33,500
RAF Lossiemouth	35,000	38,600
RAF Marham	-	30,258
RAF Odiham	-	69,500
RAF Valley	-	32,650
RAF Waddington	30,316	38,800
RAF Wittering	-	29,000
RAF Angling Association	48,485	51,341
RAF Bobsleigh, Luge and Skeleton Association	105,911	106,960
RAF Equitation	29,235	33,880
RAF Football Association	37,181	32,555
RAF Gliding & Soaring Association	36,857	36,857
RAF Golf Association	34,599	34,599
RAF Microlight Flying Sports Association	59,250	25,850
RAF Motor Sports Association	103,448	92,241
RAF Nordic Association	25,747	-
RAF Rowing Association	26,764	-
RAF Rugby Union Association	-	10,200
RAF Sailing Association	57,089	89,875
RAF Small Arms Association	56,625	53,645
RAF Sports Parachuting Association	38,152	18,877
RAF Swimming Association	44,144	38,194
RAF Waterski & Wakeboard Association	25,111	25,111
RAF Winter Sports Association	89,467	51,171
Others	541,329	473,100
Other stations grants from Gift aided profit	115,951	154,500
Total Grants	1,747,947	2,154,961

During the year 2,393 Grants were made to Individuals (2021:1,536) at a value of £597,882 (2021: £341,905) to enable access to sport and physical activity.

Note 8 Intangible Fixed Assets

	Software Development
	£
Cost bought forward at 1 Jan 22	43,387
Additions	-
Disposals	-
Cost carried forward at 31 Dec 22	43,387
Amoritisement bought forward at 1 Jan 22	21,881
Provision for Year	12,253
Released on disposal	-
Amortisation carried forward at 31 Dec 22	34,134
Net Book Value bought forward at 1 Jan 22	21,506
Net Book Value carried forward at 31 Dec 22	9,253

Note 9 Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost bought forward at 1 Jan 22	1,661,484	29,342	236,064	47,016	1,973,906
Additions	-	3,887	-	-	3,887
Disposals	-	-	-	-	-
Cost carried forward at 31 Dec 22	1,661,484	33,229	236,064	47,016	1,977,793
Depreciation bought forward at 1 Jan 22	96,218	20,898	76,437	-	193,553
Provision for year	49,665	4,488	23,644	-	77,797
Released on disposal	-	-	-	-	-
Depreciation carried forward at 31 Dec 22	145,883	25,386	100,081	-	271,350
Net Book Value bought forward at 1 Jan 22	1,565,266	8,444	159,627	47,016	1,780,353
Net Book Value carried forward at 31 Dec 22	1,515,601	7,843	135,983	47,016	1,706,443

Freehold land and buildings consists of the charity's properties at: Vine Lane; Danesfield and Feshiebridge Lodge.

The Fund additionally owns the Halton Tennis Centre. In 2007 the Trustees signed a 999 year agreement to lease the Centre to the RAF Lawn Tennis Association. The agreement places the responsibilities for the maintenance, insurance and upkeep of the property with the Association as the tenant. In accordance with FRS102, the carrying value of the Halton Tennis Centre, being the cost of purchase of the Centre from the Secretary of State in 2007 of £255,200 is not recognised in the financial statements as the charity has no rights or responsibilities with regards to the property until the lease completes in 3006.

Vine Lane was donated to the Fund on 1 July 1964 and is currently utilised under licence from the Fund by the RAF Cricket Association as the Home for Sport for RAF Cricket.

The land at Danesfield was originally purchased in conjunction with the Nuffield Trust for the Forces of the Crown ('the Nuffield Trust'). The site was wholly made over to the Fund under a deed dated March 1982, with the Fund acquiring the totality of the site for a cost of £26,300. The site is currently utilised under licence from the Fund by the RAF Rowing and Canoeing Associations as the Homes for Sport for RAF Rowing and Canoeing and by 22 Group (RAF) to provide facilities for force development and adventurous training for RAF personnel.

Feshiebridge Lodge was purchased in 1989 for £139,187. The asset has been included in the balance sheet at £139,187. Originally purchased as an adventure training centre, the Lodge is now wholly focussed on providing an enrichment welfare and recreational centre for personnel and their families. Work was completed on the site in 2020. Costs incurred were £1,489,947.

Note 10 Investments

10.1 Fixed Assets Investments	2022	2021
	£	£
Carrying value bought forward	45,125,897	41,991,679
Additions to investments at cost	7,204,446	39,284,749
Disposals at carrying value	-7,678,182	-39,989,015
Management Fee	-228,371	-
Realised gain on sale	127,519	1,432,767
Unrealised revaluation movement	-1,540,746	2,405,717
Carrying value carried forward	43,010,563	45,125,897
Historic cost as at 31 December	41,833,623	42,906,801

10.2 Analysis of Investments	Market value 31 December 2022	Market value 31 December 2021	Income from Investments 2022	Income from Investments 2021
	£	£	£	£
Allianz Portfolio Investments	-	-	-	162,520
CCLA Investments	149,401	147,957	1,444	13
Blackrock Charinco Common Investment Fund	15,328	15,328	350	506
Insight Global ABS Fund	1,744,097	5,683,819	41,624	116,131
Savills - Charities Property Fund	3,851,286	4,180,367	160,259	154,822
Marathon - Distressed Credit Fund	2,461,739	1,639,830	-	-
Ardevora	1,266,300	1,517,888	21,245	-
Baillie Gifford	1,128,292	1,444,214	-	7,204
LGIM	9,288,992	13,311,297	175,327	100,125
Barings	5,320,421	6,323,110	337,101	199,914
Beachpoint	5,759,574	5,802,757	-	-
Knightsbridge	747,318	309,330	-	-
JP Morgan -IIF Uk 1	5,161,985	4,750,000	-	-
IFM	6,115,831	-	-	-
Total	43,010,563	45,125,897	737,350	741,234

Notes to the Financial Statements for the Year ended 31 December 2022

10.3 Material Investment Holdings

The following investments represent material holdings in excess of 5% of the portfolio at the period end within the total investment portfolio (excluding direct property investments):

	Market Value £	Percentage of Portfolio
Savills - Charities Property Fund	3,851,286	9%
Marathon - Distressed Credit Fund	2,461,739	6%
LGIM	9,288,992	22%
Barings	5,320,421	12%
Beachpoint	5,759,574	13%
JP Morgan - IIF UK 1	5,161,985	12%
IFM	6,115,831	14%

Note 11 Debtors and Prepayments

Group

Analysis of Debtors	2022 £	2021 £
Trade Debtors	89,172	109,318
Prepayments and Accrued Income	460,508	402,807
Total	549,680	512,125

Charity

Analysis of Debtors	2022 £	2021 £
Trade Debtors	47,447	43,295
Prepayments and Accrued Income	445,705	388,995
Total	493,152	432,290

Accrued income represents the net of monies collected by the charity's External Lottery Manager from RAF Sports Lottery players during December, not yet received by the Fund or utilised in play and the Investment dividends for Q4 2022, payable in Q1 2023.

Note 12 Creditors and Accruals

Group

12.1 Analysis of Creditors falling due within one year	2022 £	2021 £
Committee Grant Creditors	-	118,043
Sports Grant Creditors	1,024,663	1,032,595
Tax and Social Security Creditors	11,819	11,672
Accruals and Deferred Income	357,656	301,062
Other Creditors	32,354	86,490
Total	1,426,492	1,549,862

Charity

12.2 Analysis of Creditors falling due within one year	2022	2021
	£	£
Committee Grant Creditors	-	118,043
Sports Grant Creditors	1,024,663	1,032,595
Tax and Social Security Creditors	11,819	11,672
Accruals and Deferred Income	290,645	234,538
Other Creditors	26,154	58,847
Total	1,353,281	1,455,695

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund - Unrestricted.
Restricted Funds	Restricted	Monies transferred into the RAF Central Fund upon close of the Mechanics Endowment Fund. Restricted for the benefit of RAF trainees, especially those in the engineering disciplines.

Note 13.2 Funds

13.2 Movements of Major Funds

Fund Names	Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £
General Reserves	-	4,440,878	-4,242,921	-197,957	-	-
Expendable Endowment Fund	47,605,346	-	-341,566	197,957	-1,413,227	46,048,510
Restricted Funds	540,720	1,444	-65,043	-	-	477,121
Total Funds	48,146,066	4,442,322	-4,649,530	-	-1,413,227	46,525,631

Note 13 Funds

13.3 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment Fund	Support 2022 Grant Awards	-197,957

13.4 Analysis of Net Funds

	Expendable Endowment £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	9,253	-	9,253
Tangible Fixed Assets	1,706,443	-	1,706,443
Fixed Asset Investments	42,533,442	477,121	43,010,563
Net Current Assets	1,799,372	-	1,799,372
Total Net Assets	46,048,510	477,121	46,525,631

Note 14 Commitments and Contingent Liabilities

Since 2014, the Fund makes contributions towards the costs of pensions being paid to these past employees under a by analogy Principle Civil Service Pension Scheme ('PCSPS').

Note 15 Endowed Grants

Historically the Fund has provided grant funding to support the introduction of any new Mess or Junior Rank Welfare Fund facilities. Grant funding has been provided on the basis that the unit has no power to convert the capital provided into income and that the grant funding provided is to be held indefinitely.

All entities granted these permanently endowed grant funds must invest and seek to maintain the grant at a value no less than the original endowed grant monies, subject to market value losses and deflation. Income generated from the invested funds are restricted to support the appropriate charitable activities of the associated Mess or Junior Ranks Welfare Fund.

Endowed grant funds are returned to the Fund only on the extremely rare occurrence of the closure of an RAF unit and its associated Messes and Junior Rank Welfare Funds. Due to the expectation that funds will be retained indefinitely at the units, the Fund considered these to represent contingent assets and hence no value is recognised in the financial statements.

The value of endowed grant funds held at units as at 31 December 2022 is deemed to be £2,165,217 (2021: £2,291,660).

Note 16 Transactions with Related Parties

The outstanding related party transactions as at 31 December 2022 amounts to £2,046.71 (2021: £-6,619). The balance owed by the subsidiary as at 31 December 2022 amounts to £2,446.71 (2021: £-1,705.44).

Note 17 Subsidiary Entities

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

	2022	2021
	£	£
Income		
Trading Income	171,829	263,957
	-	-
Total Income	171,829	263,957
Expenditure		
Trading Activities	156,175	78,702
Total Expenditure	156,175	78,702
Net Result of Subsidiary	15,654	185,255

RAF Central Fund Trading Ltd

Company Number: 8747522

A company set up for the RAF Central Fund to conduct trading in support of its charitable objectives.

During the year the Trading Company was re-charged £33,099 (2021: £29,510).

Directors:

Dr Eamon Molloy
Gp Capt (Retd) Mark Williams
Mr John Michaelson
MR Atul Hindocha
Wg Cdr Sarah Brewin
Mr Ross Perriam

Note 18 Outstanding Commitments

The Fund had no outstanding commitments as at 31 December 2022 (2021: £Nil).

Note 19 Events after the end of the reporting period

On the 22 April 2023 the charity merged with the RAF Sports Federation.
The RAF Sports Federation is now a 100% owned subsidiary of the charity with the Fund being the Federations' sole member.