



ROYAL AIR FORCE CENTRAL FUND ANNUAL REPORT



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TRUSTEES, COMMITTEES, OFFICERS AND ADVISORS

TRUSTEES

Dr E Molloy	Chair
Warrant Officer J Crossley	
Mr J C Michaelson	
Mrs S Bridgeland	Resigned 7 July 2021
Mrs A Farmery	
Group Captain M Williams	
Air Vice-Marshal J Ellis	Resigned 12 April 2022
Group Captain C Baker	

FINANCE AND RISK COMMITTEE MEMBERS

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

GRANTS COMMITTEE MEMBERS

Warrant Officer J Crossley	Chair & Trustee Member
Group Captain J East	Resigned 4 January 2021
Mr M Nurse	
Warrant Officer J Wall	Resigned 22 March 2022
Warrant Officer S Cotman	Resigned 22 March 2022
Squadron Leader G MacKay	
Warrant Officer M Ratten	
Warrant Officer J Alpert	
Squadron Leader P Luckett	Resigned 4 May 2022
Warrant Officer T Buxton	
Squadron Leader C Spear	Resigned 22 March 2022
Warrant Officer A Whitton	Resigned 21 June 2021
Squadron Leader R Causer	Resigned 22 March 2022
Group Capt C Owen	Appointed 2 March 2021, Resigned 22 March 2022
Squadron Leader A Lynn	Appointed 6 October 2021
Squadron Leader R McPhee	Appointed 22 March 2022
Warrant Officer E Kerslake	Appointed 22 March 2022
Warrant Officer G Evans	Appointed 22 March 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

INVESTMENT ADVISORS

Lane Clark & Peacock LLP

95 Wigmore St
London
W1U 1DQ

INVESTMENT MANAGERS

Marathon Distressed Credit Fund, LP
Savills Investment Management Ltd
Allianz Global Investors Europe GmBH
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

REGISTERED AUDITORS

Mazars LLP

6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

LEGAL ADVISORS

Charles Russell LLP

5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP

2 Putney Hill
London
SW15 6AB

BANKERS

Barclays Bank PLC

4 Waterside Way
The Lakes
Bedford Road
Northampton
NN4 7XD

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 2021. 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.



2024

A MESSAGE FROM THE CHAIR

2021 continued to be yet another unpredictable year as the pandemic impacted our nation's ability to be physically active.

Once again, I'm proud to say that our Executive team with support from the Board continued to find innovative ways to mitigate restrictions placed on sport and fitness activities. This response helped ensure that our beneficiaries were able to remain physically and mentally healthy.



One initiative involved the trialling of the FitSwarm platform. Through this, personnel were able to connect live and on demand with RAF and external instructors in a variety of classes in a secure, virtual environment. Following consultation with the Royal Centre for Defence Medicine it became apparent that this platform would serve as a solution for those medical staff who were unable to attend live classes due to their working hours. A series of bespoke yoga and relaxation classes were created in conjunction with a yoga specialist to provide much needed opportunities for decompression for those on the Covid front line.

Underpinning our support are the Fund's two main sources of income, both of which responded well in the face of a challenging environment in 2021. Whilst the Lottery naturally experienced a slower uptake in new tickets, attrition remained on track so that the decrease in income was manageable. Our second source of income, our investments, received a strategic review. This review has helped us weather the market volatility and I am pleased to say that the Fund performed well, ensuring that support continues to meet the demand of our beneficiaries.

In addition to our role as the RAF Charity for sport and physical activities, 2021 saw us undertake an exceptional piece of work in recovering circa £700,000 of mess excess income on behalf of the RAF. These funds were distributed to the stations in the spring in order that the Station Commanders could utilise them for the good of serving personnel. Our 100+ year history included the provision of support for the formation of Messes at new RAF units, so it was fitting that we were able to step in and add this much needed assistance.

We look forward to supporting RAF personnel and a full return to physical activity and RAF Sports winning ways in 2022.



Eamonn Molloy

Dr Eamonn Molloy
Chair, RAF Central Fund

A MESSAGE FROM THE CEO

The gradual and phased lifting of restrictions in 2021 meant that our beneficiaries' ability to participate and compete in sport and physical activity was determined by what their chosen activity was. For many, the season had passed by the time restrictions were lifted whilst others benefitted from the legal limits of social contact being lifted in the summer. Against that backdrop, it was encouraging to note that demand for 'pre-habilitative' funding for sports equipment remained consistent with previous years as our beneficiaries pivoted to trying different activities in a bid to remain physically and mentally fit.



Detail on the number and types of sports grants awarded can be found later in this report. However, it is the testimonials underpinning those numbers that are the real metric for the Central Fund team. 2021 was a record year for feedback from our beneficiaries and knowing that the grants had such a positive and, in some cases, life changing impact on RAF personnel (see pages 8 and 9) reminded us of the power of sport and the impact that the Central Fund provides.

Knowing the difference the Central Fund makes, is the reason that one of our values is Stewardship. We take seriously our responsibility to ensure that the Fund can provide support not only to our current beneficiaries but also to those yet to come. With that in mind, we used the space that the pandemic created to review our own practices and, in collaboration with our partners the RAF Sports Federation and the Directorate of RAF Sport, we launched a three-year funding cycle for the RAF Sports Associations. This process will reduce administration for associations, give greater visibility of future funding, help to identify the financial status of many RAF sports and will improve their confidence to advance book venues or purchase goods and services at beneficial rates. Whilst an administrative exercise, the expectation is that this is the start of a transformational change programme that will translate into greater opportunities for RAF personnel to participate, compete and win in their chosen activity for years to come.

The team and I look forward to welcoming everyone back to their chosen activity in 2022 and supporting serving personnel to achieve whatever goals they set for themselves.

Ross Perriam
Chief Executive Officer, RAF Central Fund



"The RAF Central Fund provide vital support for personnel to participate in their chosen sport. From Sports Association funding to club support at a Station level, sport in the RAF wouldn't happen the way it does without the Central Fund. For those that have the opportunity to do something different, don't let your determination falter and who knows where you will end up."

WO Saul Vine

“

I DON'T THINK I WOULD HAVE GOT THROUGH THE LAST 12 MONTHS OR SO WITHOUT MY SPORT AND THE SPORTS GRANT AS I HAVE FOUND IT PARTICULARLY CHALLENGING ON MY MENTAL HEALTH, SO BEING ABLE TO DO WHAT I LOVE HAS MADE A REAL DIFFERENCE TO ME, SO THANK YOU.

”

"The RAF Central Fund helps RAF personnel physically and mentally by providing support to participate in sport, which has been more important than ever over lockdown. We wanted to give something back by challenging ourselves with pulling the Dakota to raise funds for them – and it was definitely a challenge!"

RAF Coningsby - Dakota Plane Pull Fundraising Challenge



“

SPORTS GRANTS ARE A REAL PRIVILEGE IN THE RAF, WHICH ALLOWS ME TO BETTER PREPARE AND TRAIN FOR MY CHOSEN SPORT (VOLLEYBALL). WITH DECENT KIT I FEEL COMFORTABLE AND MORE CONFIDENT WHEN PLAYING, IT'S ALSO A GOOD INCENTIVE TO KEEP WORKING HARD AT MY SPORT, WHICH IN TURN KEEPS ME AT MY FITTEST. SPORT IS ONE OF THE REASONS I STAY IN THE RAF.

”



"The Central Fund is known for funding sport in the RAF, but is less known for their support to those recovering from mental health issues with charitable grant funding to help get them active again. They give those in need a chance to find wellbeing and happiness by taking part in their chosen sport, regardless of their standard and regardless of their ability."

WO Justin 'Max' Wall



"It's great to have access to the fantastic BeaverFit lockers whilst deployed. They allow us to take a more structured approach to personal training, knowing that we have our own facility to do so thanks to the RAF Central Fund, it's been an essential morale booster during a busy Operation!"

Flt Lt Carey - BeaverFit FOB Locker 'Gym in a Box'

“

I'M INCREDIBLY GRATEFUL FOR HAVING ACCESS TO THIS GRANT, THE KIT I'VE BOUGHT WITH IT HAS REALLY HELPED AND I'VE NOW GONE FROM THE DEVELOPMENT SQUAD TO THE REPRESENTATIVE TEAM, LARGELY DOWN TO THIS KIT. THANK YOU.

”

The RAF Central Fund has been fundamental the past few years, enabling me to purchase my GB Age Group Trisuit, funding race entries as well as purchasing several pieces of kit that have helped excel my training and development as an athlete. Without the support from the Central Fund I wouldn't have been able to compete at World or European Championships and get the results I've achieved. So thank you!"

Fg Off Hannah Dodwell



“

THE SPORTS GRANT HAS ENABLED ME TO BE ABLE TO PLAY GOLF TWICE A WEEK DURING THE SUMMER, I HAVE LOST WEIGHT, PLAYED BETTER AND BUILT UP FRIENDSHIPS WITH PERSONNEL FROM ACROSS THE RAF NOT JUST WITHIN MY OWN WORK BUBBLE. I'M REALLY GRATEFUL FOR THE GRANT, IT'S ALLOWED ME TIME TO FEEL FREE AWAY FROM WORK STRESSES.

”



"After many years of playing the lottery to support the charity, I've now been exceptionally lucky to have won the top prize! I would encourage anyone to play the Sports Lottery so that the Central Fund can continue the work it does in supporting sport across the RAF."

Sgt Mike Nicholson



TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

HISTORY

The Royal Air Force Central Fund (the Fund) can trace its origins back to the early formative period of the Royal Air Force. During 1919 to 1922 the Air Council Central Fund was established to collate monies originally donated by both commissioned and non-commissioned RAF personnel to support the welfare of others in the RAF from disbanded RAF units.

The Fund was briefly separated into two central institute funds with objectives to provide non-public welfare support to both officers and other ranks prior to subsequent re-unification and amalgamation into the Air Ministry Non-Public Fund in 1923. The Air Ministry Non-Public Fund reiterated the original object of the Fund to 'improve the amenities of service life for the benefit of serving personnel'.

The Air Ministry Non-Public Fund was supplemented in 1937 by the creation of the RAF Central Reserve Fund. Following a reserves transfer from the Air Ministry Non-Public Fund in 1940, the RAF Central Reserve Fund's name was shortened to the RAF Central Fund in 1943. In 1945 the aims of the Fund were widened to include grant making to Command Central Funds and charitable organisations.

A subsequent comprehensive review of RAF charitable funds in 1959 resulted in the Command Central Funds being amalgamated into the Fund, which was then formally registered as a charity in 1963.

The RAF Sports Lottery was established by the Fund in 1993 to generate funding to support sporting activities and endeavours of RAF personnel.

The Mechanics Endowment Fund 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.



AIMS AND OBJECTIVES

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 Fund 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

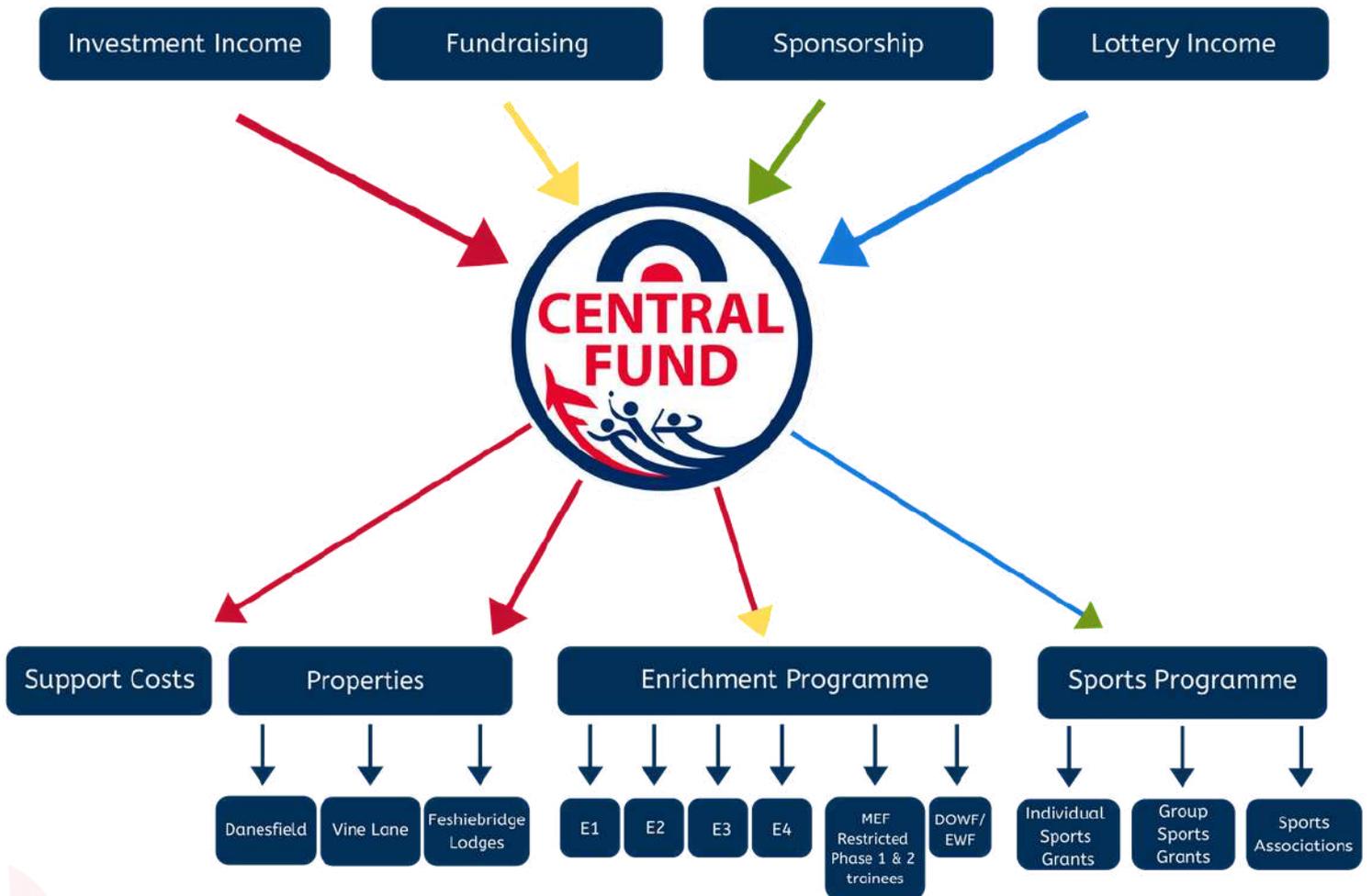
To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden 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.

Success criteria were put in place to ensure that progress was made towards achieving the new mission.

THE FUND'S INCOME AND FUNDING PROGRAMMES:



OBJECTIVES AND ACTIVITIES FOR THE 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 by:

- Assisting the promotion of military efficiency.
- Providing RAF personnel with the necessary skills to carry out the RAF contribution to the Defence of the United Kingdom and its interests.

As noted above, the Fund seeks to concentrate support around its current objective:

“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 our 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.

2021



GRANT MAKING

As previously noted, the Fund seeks principally to meet its objectives through the provision of support as a grant making charity.

Stations, groups and individuals are encouraged to apply to the Fund for grants that meet our charity's criteria to support, encourage and develop the serving RAF community. Details of current grants criteria, administrative guidance and bid forms are provided on approach to the Fund and in 2021 were also provided on the Fund's website (www.rafcf.org.uk) along with general guidance to support the enrichment grant programme. Work continued automating the processing of grant applications and this work is expected to continue until there is a fully automated process in place.

Applications for support towards activities undertaken via the RAF Sports Associations were updated to a three-year joint planning process. Allowing greater scope for associations to develop long-term strategies, applications are subject to an initial assessment by a committee of members of the Fund's senior leadership team, supported by the Directorate of RAF Sport and the RAF Sports Federation. Recommendations are then presented to the Board of Trustees for consideration. Applications are assessed against the Fund's charitable objectives which are communicated to the Associations by their appointed RAF Central Fund Ambassador.

Enrichment grant applications under £5,000 and meeting certain criteria are assessed by a committee of senior Fund managers, whilst those over £5,000 are considered by the Grants Committee to ensure they meet our charity's objectives and provide maximum benefits and value for our beneficiaries. The Grants Committee consists of a panel of serving personnel who are selected to ensure that all serving RAF personnel are fairly and appropriately represented.



The Grants Committee can approve grant applications up to £50,000. Grants in excess of £50,000, if approved in principle by the Committee, will be referred to the Board of Trustees for consideration.

Applications for support from individual sports grants are subject to a process of internal assessment. Grants which have higher values are subject to review by the Sports Grants Panel consisting of Fund senior managers, supported by a representative of the Directorate of RAF Sport and the RAF Sports Federation. The Panel has authority to approve grants to an individual maximum of £5,000. Grants in excess of £5,000 are recommended to the CEO and those in excess of £25,000 are recommended to the Grants Committee.

The Fund continues to work closely with its beneficiary community and the RAF Community Support team to help RAF stations and units strategically manage their sports and physical activity needs and to identify and prioritise key areas which will benefit from support.

The impact of the grant funding programmes is assessed through retrospective reporting on station projects as well as via surveys to individual beneficiaries. Additionally, as a result of the three-year funding plan for associations, yearly assessments are completed by representatives of the Fund, Directorate of RAF Sport and Sports Federation.

The focus of the RAF Central Fund in 2021 remained the same as 2020 but continued to adapt to the changes brought about by Covid-19. Whilst the central principle of funding applications that encourage serving personnel to participate in sporting activities remained, lockdowns and social distancing resulted in the need for our charity to be more flexible and creative in our goal to promote physical and mental fitness and resilience.



STRATEGIC REPORT

The focus for the Fund was agreed pre the Covid-19 pandemic and was set to operate closer to the cash flows provided by its income streams to preserve the Fund's longer-term future. This aim remains in place however, there was an expectation that this goal may be challenging given the uncharted waters the Fund found itself in. Fortunately, the Fund's response to the pandemic resulted in not only the achievements documented in the following pages but also the Fund delivering on its pre-Covid financial goals.



WE SAID WE WOULD REVIEW OUR FUNDING STRATEGY
WE LAUNCHED A 3 YEAR FUNDING STRATEGY IN 2021

WE SAID WE WOULD STRENGTHEN THE BREADTH OF MEMBERSHIP, REPRESENTATION AND SKILLS BASE ACROSS THE BOARD AND COMMITTEES

WE APPOINTED 5 NEW COMMITTEE MEMBERS



WE SAID WE WOULD REVIEW THE FUND'S INVESTMENT STRATEGY IN ORDER TO MAXIMISE RETURNS FOR ITS BENEFICIARIES

WE IMPLEMENTED OUR NEW INVESTMENT STRATEGY IN 2021

WE SAID WE WOULD DELIVER A BALANCED BUDGET

WE EXCEEDED THAT TARGET



CHARITABLE SUPPORT PROGRAMMES

RAF SPORT ASSOCIATION SUPPORT

50

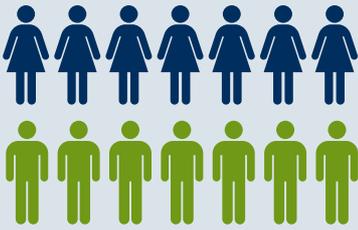
RAF SPORTS
ASSOCIATIONS
FUNDED



1720*
NEW MEMBERS



226%*
NEW MEMBER
INCREASE



10,396*
PERSONNEL SUPPORTED

£1,018,416

VALUE OF
ASSOCIATION FUNDING



INDIVIDUAL SUPPORT

1,537

TOTAL NUMBER OF
GRANTS AWARDED

TOTAL VALUE OF AWARDED GRANTS



£3339,054

584

RAF LEVEL
GRANTS

VALUE OF
RAF LEVEL
GRANTS

£180,235

947

DEVELOPMENT
LEVEL GRANTS

VALUE OF
DEVELOPMENT
LEVEL GRANTS

£158,200

STATION LEVEL SUPPORT

NUMBER OF
ENRICHMENT GRANTS

31

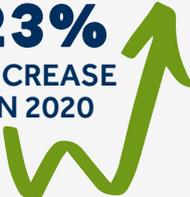
24
RAF STATIONS
SUPPORTED

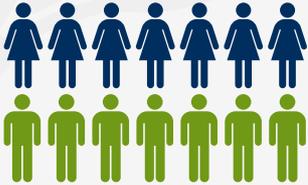
VALUE OF
ENRICHMENT GRANTS

£241,064

44 
RAF CENTRAL FUND
STATION AMBASSADORS
RECRUITED

23%
INCREASE
ON 2020

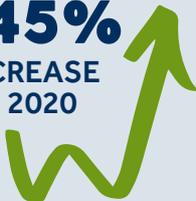



5,743
PERSONNEL SUPPORTED
THROUGH ENRICHMENT
GRANTS

2 
Station Overseas
Visits

MECHANICS ENDOWMENT FUND

6
MEF GRANTS
AWARDED

£34,279 
VALUE OF
MEF GRANTS





1,046
PERSONNEL SUPPORTED
THROUGH MEF GRANTS



100

powered
by the



www.rafcf.org.uk

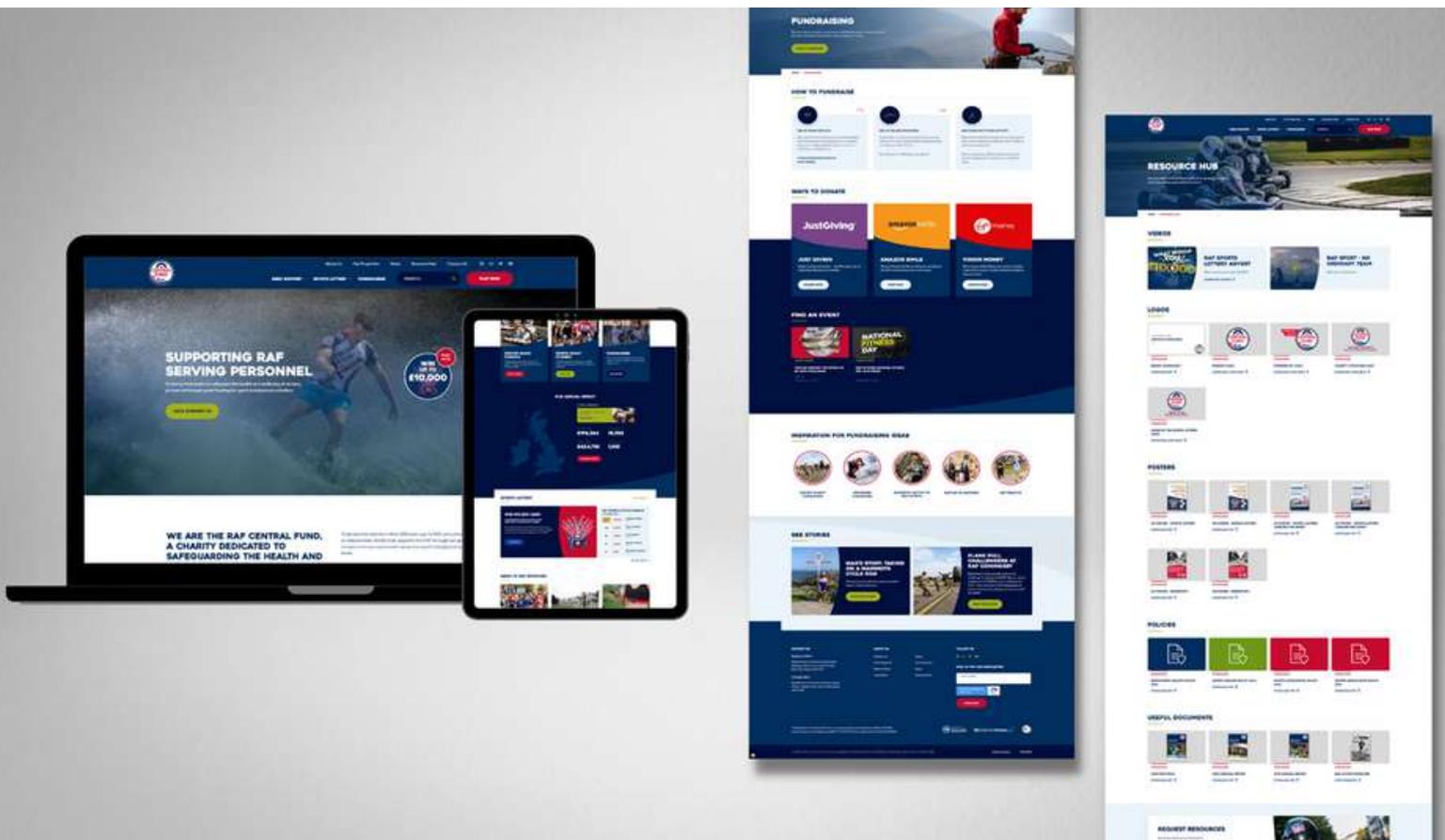


INCREASING AWARENESS OF OUR WORK

In 2021 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 would benefit from its support.

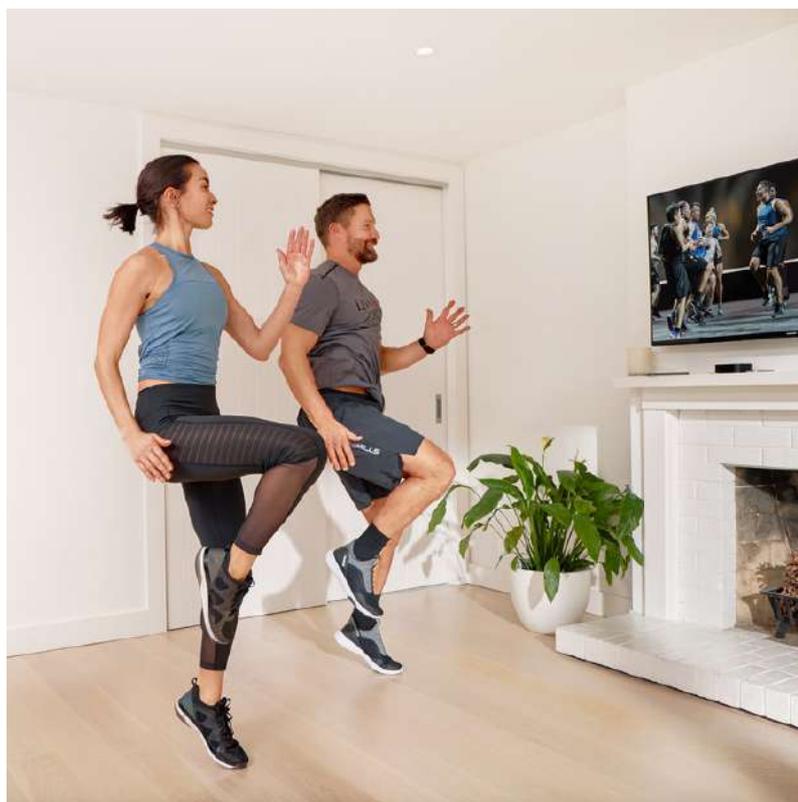
NEW WEBSITE

The primary focus over the last 12 months has been the design and delivery of a new RAF Central Fund website with a content management system that enables content creation and publishing to be carried out in-house. The layout of the website has been streamlined and the design has been simplified to allow for a much-improved user experience. The impact of the charity has been highlighted on the homepage with news categorisation to emphasise the breadth of support provided and the effect this has on our beneficiaries. A new Resources Hub section provides a platform to share marketing materials with our supporters including our logos and brand guidelines alongside videos and digital publications.



PARTNERSHIP PROMOTION

Following a successful UK-wide vaccination programme, 2021 saw a return to RAF Sport and Station gyms saw increased footfall as restrictions were eased. Whilst our partnerships with Myzone and Les Mills UK were formed to encourage physical activity during lockdown, these initiatives have continued to be promoted in recognition of the positive way they were received by serving personnel. There are now over 1,600 personnel in our RAF Central Fund Myzone community. In 2021 a promotion of the latest Les Mills+ offer for serving personnel resulted in 1,421 clicks on the offer of which 693 converted to the monthly subscription.



NEW PLATFORMS

The success of these partnerships led to the trial of new initiatives to further expand the breadth of our support and encourage increased physical activity amongst those serving in the RAF. The first was with Joymo, a live video streaming platform, which was offered on a six-month trial basis to the RAF sport associations to facilitate content provision and encourage new members to join. Whilst the platform was well received by some of the associations there was not enough interest to take it forward, in part due to a lack of time and manpower given those running the sports associations are doing it as a secondary duty.

Another digital platform to encourage physical activity amongst serving personnel was also trialled in 2021, this time with FitSwarm. Unlike Les Mills+, FitSwarm provided an opportunity to deliver both live and pre-recorded workout classes specifically tailored to the needs of serving personnel. Recognising the need to support RAF doctors and nurses following a particularly tough time on the frontline of the Covid-19 pandemic, pre-recorded yoga classes were offered to all RAF medical staff to relax and destress at a time that suited them. In addition to this, a six-month trial of live strength and stretch classes was also offered to all serving personnel but demand was not at a high enough level to warrant the continuation of this offer.



STATION VISITS

2021 saw a resumption of Station visits and a returned presence at RAF Station Health & Wellbeing Days. Whilst footfall at Station events to promote the work of our charity and the Sports Lottery has been low initially, possibly due a continuation of homeworking for a significant proportion of serving personnel, it is hoped that attendance at these events will increase going forward.

Promotion of the Sports Lottery remains a top priority for the Fund’s Marketing Department and a return to face-to-face briefings to the cadets at RTS saw sign up rates return to their pre-Covid levels. Opportunities to promote the lottery to a previously untapped market of reservists and former serving have also been explored with reservist cadet briefings and tailored advertisements both online and in RAF publications.



SOCIAL MEDIA

The Central Fund’s social media presence continued to grow with the charity’s main Facebook channel seeing an 105% increase in reach and pages visits up by 29% in 2021. Heightened activity was seen around the promotion of fundraising initiatives including the Captain Tom 100 Challenge and 5K in May where participants were encouraged to share images of their fundraising efforts. Our Instagram channel also saw an increase in reach and page visits with spikes correlating to results of the National Fitness Day Challenge and the RAF Sport Awards.



Continuing support to RAF serving personnel through partnership offers.



Promotion and support of fundraising events.

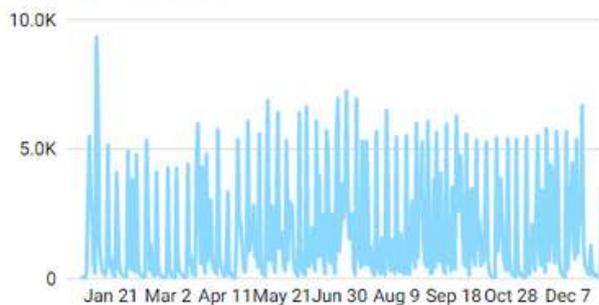


New style of Sports Lottery results table.

Reach

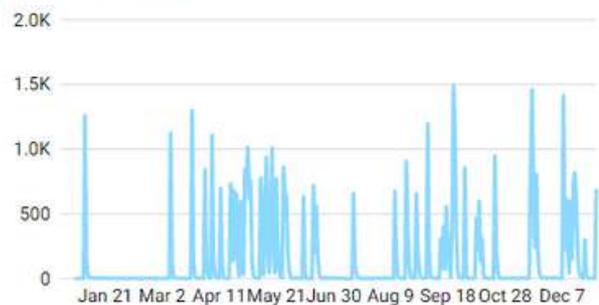
Facebook Page reach

83,040 ↑ 105.2%



Instagram reach

4,068 ↑ 66.9%



GROWING AND SUSTAINING THE RESOURCES REQUIRED TO MEET THE NEEDS OF OUR 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 2021, total players increased by just over 2% to 17,355 with new lottery ticket numbers struggling to grow, although overall gross Lottery income for the year (£2.88 million) achieved 99% of its budget; down 1 % on 2020. The Lottery is now generating an income on par with pre-pandemic levels.

The Lottery awards prizes totalling £18,000 each week and there were over 1060 winners in 2021. The cost of awarding these prizes, together with External Lottery Manager Fees and overhead costs totalled £1,221,238 (2020: £1,434,443) for the twelve months of play. The Lottery generated a net surplus during 2021 which was utilised in-year within the individual sports grant programme.

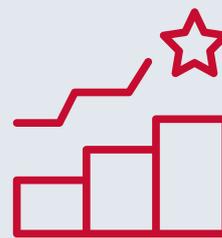


FUNDRAISING

The nature of most fundraising is through sporting or physical activity challenges and therefore it was only fitting that a three-year fundraising strategy was created in 2019 to start building an additional income stream for the Fund. The execution of the strategy continued in 2021 to the following effect:

£179,500

TOTAL
FUNDRAISED



64

CHALLENGES
COMPLETED

DONATIONS FROM ONLINE
PLATFORMS

£18,200

12 STATION
DONATIONS

Fundraising campaigns for 2021 were adapted as a result of the Covid-19 pandemic's continued effect on mass participation events with many being cancelled or further delayed. Instead, the Fund launched virtual challenges including the RAF Cosford Challenge which saw 600 participants each completing 100km in 30 days. Additionally, RAF Leeming challenged the rest of the Air Force to race around the world in 80 days with the entrance fee going to the RAF Central Fund as a donation.

Work to source partner suppliers of sports equipment and clothing also continued in 2021 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.

PROPERTIES

FESHIEBRIDGE



Feshiebridge Lodges, prioritised for serving RAF personnel to use for holidays, outward bound courses and decompression, opened in January 2020 and has continued to prove popular amongst RAF personnel and the public.

Although the site was required to close for 15 weeks in 2021 due to the pandemic, bookings resulted in a 90% occupancy for the weeks that the site was permitted to open.

"BEYOND EXPECTATIONS, GREAT VALUE"

“

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

”

"IDEAL FAMILY HOLIDAY. SUPERB"

“

LOVELY ACCOMMODATION, VERY CLEAN, ALREADY BOOKED AGAIN FOR NEXT YEAR.

”

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 on a daily basis by serving RAF personnel in order to take part in Robson Academy of Resilience training. Danesfield is also the Home for Sport for 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 upgrade opportunities.



MANAGING OUR CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE

In 2021 the Fund, in partnership with the RAF Directorate of Sport and the RAF Sports Federation launched a three-year funding cycle. This not only reduced the administrative burden on associations but also gave 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 gave greater visibility to the future needs of our beneficiaries.

The Fund signed up to the Sporting Equals Charter in April 2021 and followed this up with the publication of its Ethnicity, Diversity and Inclusion plan. This is designed to promote fair opportunity for all and to ensure that Fund benefits from as diverse a range of experience as possible. Progress against the plan will be published annually.

In 2021, our charity was made aware of an issue that the RAF Service Funds had in relation to three years of uncollected excess income from service providers. In order to provide even greater value to the RAF, the Fund consulted with legal and tax specialists to find a solution to the problem. A solution was found and, in the summer of 2021, the excess income was unlocked and released back to the Station Commanders via the RAF Central Fund.

We also initiated partnerships with sports equipment and clothing manufacturers and other suppliers in 2021 that would help the funding pot go further in the years to come. The aim is to continue to be able to meet the needs of our charity's beneficiaries whilst operating a balanced budget.

The need for full time office space was reviewed and in 2021, the Fund formalised a blended approach to work for its employees and reduced its office lease by 75%. The resultant savings helped improve the efficiency of our charity.

2021 also witnessed the continuation of improvements to the financial and charitable governance of the Fund. Virtual attendance by team members at Gambling Commission, Lottery Commission and financial seminars allowed for existing policies and processes to be reviewed and, where necessary, updated.



2021

ORGANISATIONAL STRUCTURE AND GOVERNANCE

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 £25,000 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 2021 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 2021.

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.

Grants are awarded throughout the RAF to a diverse range of projects which support the serving RAF community and their immediate support networks. Where possible, a 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.

The Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations, including key management personnel, based on 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 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.



ROYAL AIR FORCE CENTRAL FUND TRADING LTD

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.

SENIOR LEADERSHIP TEAM

2021 was a year of consolidation for the senior leadership team with the team working exceptionally well together to ensure that the Fund continued to serve its beneficiaries in a changing and challenging environment. Following the departure of Chris Coopman, the Fund successfully recruited a new Finance Manager and Angelique Lyon has integrated herself well into the team.

The Fund's internal procedures and policies were reviewed and, where necessary, adapted to suit the new environment that beneficiaries and colleagues found themselves in during 2020 and 2021. Following Government guidance, the team continued to work predominantly from home and the senior leadership team ensured that the conditions, culture and resources were available to ensure that this new way of working worked for both colleagues and beneficiaries. Consultations with the team and feedback from beneficiaries strongly indicates that needs from both parties were met.

The senior leadership team also worked well to bring the new initiatives and support programmes detailed in previous pages to the Fund's beneficiaries in a very short space of time. This resulted in more people being supported sooner.



RISK MANAGEMENT

The Trustees reviewed the major risks facing the Fund within the annual business planning process and continue to identify significant risks to the Fund, implementing procedures to both mitigate risk and to minimise potential impact should they materialise. In addition to the existing ones, the Trustees identified the following as a new risk facing the Fund for 2020/21:

- A misuse of data resulting in an ICO investigation and / or reputational loss

This risk is being mitigated by regular training of all team members and the implementation of processes that follow the ICO guidelines for good practice. The data controller receives ICO updates and passes these on to the team as part of the ongoing training.



BREXIT IMPACT

Whilst exiting from the EU has continued to contribute to market volatility, it has yet to impact on the regulatory environment. The Fund reviewed its Investment Strategy to mitigate the effect on investments following the decision to leave the EU and will seek to keep up to date with the latest developments in the regulatory environment.

COVID-19 IMPACT

The Trustees together with the Executive team considered the possible risks of Covid-19 and put in place measures to maintain income, examine new ways of supporting beneficiaries and protect the team. Now that we are transitioning to a post-pandemic environment, the Fund has closed the office space at Naphill and moved to a blended-working environment using the property portfolio for team meetings. The Fund still implements processes designed to reduce the transmission of Covid-19 and provides the processes, resources and culture needed for the team to be comfortable, safe, and supported whilst working from home.

INFLATION

The 2022 budget was set in late Q3 2021 using Consumer Price Index which at the time was forecasting circa 2%. Since the time of writing, this level has been significantly surpassed and 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.





LEGAL STATUS AND ORGANISATION

CONSTITUTION

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

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 programmes are designed to cover the key strategic aims of the Charity, its operational framework, its 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 expected to have visited all of the Fund's 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.





2021

FINANCIAL REVIEW

LONG TERM INCOME PROTECTION

The investment strategy that has been put in place 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. This strategy is reviewed every three years against 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 £44,020,304 (2020: £40,374,922), of which £42,377,397 (2020: £39,574,193) represented invested funds.

The Fund has the following designated funds:

- RAF Central Fund Vine Lane, RAF Central Fund Danesfield and Feshiebridge Lodges - Funding generated by activities at the three respective sites which is deemed by the Trustees as required to support their respective on-going maintenance and activities.
- Sports Lottery Fund - Funds designated for future utilisation for the benefit of sport in the RAF.
- Contingency: RAF Sports Board Pension Fund - At the 2021 year-end there is sufficient uncertainty with regards to the exact status of the Fund's pension situation to deem it inappropriate to recognise a provision for future payments in respect of past service of former employees.

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 £48 million.

At the year-end the Fund held total reserves of £48,146,066 including invested reserves of £45,125,897. The Trustees are content that the closing 2021 reserves balance of £48,146,066 is appropriate, given the current fluidity 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.



2021



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 strategic and operational direction of the Fund. As the Board of Trustees continue to refine and prioritise the direction of the Fund, our 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 2022:

- **EVALUATE THE IMPACT OF THE FUND'S PROGRAMMES AND PROCESSES ON SERVING PERSONNEL**

1. Following on from the 2020 survey to understand the challenges that service life poses on accessing sports and physical activity, we will continue the review of our Individual Sports Grant programme to ensure that it remains impactful, relevant and helps to address some of the challenges raised. This work will complete in 2022.
2. We will continue to implement three-year funding strategy that will allow the Sports Associations greater visibility of their funding over the medium term. The approach will also involve a closer working relationship with Directorate of RAF Sport of and the Sports Federation so that the three agencies are better aligned and speaking with 'one voice'. Administration will be reduced for all stakeholders and financial efficiencies will inevitably be found through smarter working practices.

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

The marketing activities for 2022 will continue to be focused on strategies and campaigns to reach new players from traditional and non-traditional markets.

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

We will explore opportunities to collaborate with other charities specifically in respect of our revenue generating assets (investments, Lottery and property) in order to create mutually beneficial outcomes.

- **DEVELOP CLOSER RELATIONSHIPS WITH STATIONS TO MAXIMISE AWARENESS OF THE AVAILABLE SUPPORT**

The Fund aims to launch a Station Ambassador programme that will strengthen ties and communication between the Fund and RAF stations. We will continue to fund stations through the enrichment programme and explore ways of increasing that funding pot. New initiatives that increase our reach to non-sporting personnel will also be examined.

- **INVESTIGATE ADDITIONAL REVENUE STREAMS**

The Fund will continue to develop its new fundraising stream whilst exploring new revenue opportunities that sit in line with its objectives.





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 state of affairs 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 2021.

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 2021 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 Chair of the Finance and Risk Committee

Dated: 25 July 2022



2021



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 2021 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 2021 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 page 50, 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 activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

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 to 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 tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

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, in particular in relation to income recognition (which we pinpointed to the cut off risk), 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: *22nd September 2022*

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2021

	Unrestricted Fund	Designated Fund	Expendable Endowment Fund	Restricted Fund	Total 2021	Total 2020
Note	£	£	£	£	£	£
Income						
	1,2					
Donations	134,506	45,000	-	-	179,506	174,614
Charitable Activities	2,119	96,775	-	-	98,894	525,344
Trading Activities	239,123	2,879,821	-	-	3,118,944	3,804,682
Investment Income	740,715	506	-	13	741,234	632,202
Other Income	28,312	-	-	-	28,312	1,000
Total Income	1,144,775	3,022,102	-	13	4,166,890	5,137,842
Expenditure						
	3					
Charitable Activities	1,332,311	1,682,091	-	34,276	3,048,678	2,369,974
Raising Funds						
Sports Lottery Operations & Fundraising Trading	6,401	1,221,237	-	-	1,227,638	1,434,443
Trading Activities	59,162	-	-	-	59,162	99,976
Investment Management Costs	-	-	293,427	-	293,427	339,197
Total Expenditure	1,397,874	2,903,328	293,427	34,276	4,628,905	4,243,590
Net gains on investments	-	-	3,838,484	-	3,838,484	872,755
Net Expenditure/(Income)	-253,099	118,774	3,545,057	-34,263	3,376,469	1,767,007
Transfers between Funds	253,099	-353,424	100,325	-	-	-
Net Movement in Funds	-	-234,650	3,645,382	-34,263	3,376,469	1,767,007
Total Funds Bought Forward	-	3,819,692	40,374,922	574,983	44,769,597	43,002,590
Total Funds Carried Forward	-	3,585,042	44,020,304	540,720	48,146,066	44,769,597

Consolidated and Charity Balance Sheets as at 31 December 2021

	Note	Group Total 2021 £	Group Total 2020 £	Charity Total 2021	Charity Total 2020
Fixed Assets:					
Intangible Assets	8	21,506	30,601	21,506	30,601
Tangible Assets	9	1,733,337	1,805,499	1,733,337	1,805,499
Heritage Assets	9	47,016	47,016	47,016	47,016
Investments	10	45,125,897	41,991,679	45,125,897	41,991,679
Total Fixed Assets		46,927,756	43,874,795	46,927,756	43,874,795
Current Assets:					
Debtors	11	512,125	1,024,980	432,290	262,199
Cash at Bank and in Hand		2,256,047	1,607,795	2,056,462	1,536,093
Investments	10	-	-	-	-
Total Current Assets		2,768,172	2,632,775	2,488,752	1,798,292
Creditors: Amounts Falling due Within One Year	12	1,549,862	1,737,973	1,455,695	1,644,527
Net Current Assets		1,218,310	894,802	1,033,057	153,765
Total Assets less Current Liabilities		48,146,066	44,769,597	47,960,813	44,028,560
Net Assets		48,146,066	44,769,597	47,960,813	44,028,560
Reserves					
Expendable Endowment Fund	13	44,020,304	40,374,922	43,835,051	39,633,885
Designated Funds		3,585,042	3,819,692	3,585,042	3,819,692
Restricted Funds		540,720	574,983	540,720	574,983
Total Funds		48,146,066	44,769,597	47,960,813	44,028,560

The financial Statements have been prepared in accordance with the special provisions of the companies Act 2006 relating to small companies.

The Financial Statements on Pages 56-74 were approved by the board of Trustees on 25 July 2022 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 2021

	2021 £	2020 £
Cash flow from Operating Activities		
Net cash used in operating activities	-456,181	-133,890
Cash flows from Investing Activities:		
Dividend Receipts	741,234	632,202
Investment management costs	-293,427	-339,197
Fixed asset Additions	-29,135	-114,912
Intangible fixed asset additions	-18,505	-10,631
Proceeds from Sale of Investments	39,989,015	12,746,840
Payment to Purchase Investments	-39,284,749	-12,563,107
Net cash provided by investing activities	1,104,433	351,195
Change in Cash & Cash Equivalents	648,252	217,305
Cash & Cash Equivalents at 1 January	1,607,795	1,390,490
Cash & Cash Equivalents as at 31 December	2,256,047	1,607,795

Notes to the Cash Flow Statement

Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the period	3,376,469	1,767,007
Adjustment for:		
(Gains)/Loses on Investments	-3,838,484	-872,755
Investment Income	-741,234	-632,202
Investment Management Fees	293,427	339,197
Depreciation/Amortisation	128,896	83,372
Decrease/(Increase) in Debtors	512,855	-743,968
(Decrease)/Increase in Other Creditors	-188,110	-74,541
Net Cash used in operating activities	-456,181	-133,890

Analysis of Cash & Cash Equivalents

	31 December 2020 £	Cash flow £	31 December 2021 £
Cash in hand	1,607,795	648,252	2,256,047
Total Cash & Cash Equivalents	1,607,795	648,252	2,256,047

Notes to the Financial Statements for the Year to 31 December 2021

Principal Accounting Policies 2021

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 31 July 2023 and have agreed detailed budgets for the year ended 31 December 2022. 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. Income from Gilts is accounted for net of any previously incurred transaction costs.

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 2021

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 2021

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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Prior to March 2014 the charity made 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. In line with HM Treasury guidance, the charity accounted for the contributions in the Statement of Financial Activities in the year in which they were incurred.

Following the transfer in March 2014, the obligation to meet these contributions as they fall due vests with the RAF Sports Board.

Notes to the Financial Statements for the year-ended 31 December 2021

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2020

	Unrestricted Fund £	Designated Fund £	Expendable Endowment Fund £	Restricted Fund £	Total 2020 £
Income					
Donations	104,889	40,060	-	29,665	174,614
Charitable Activities	729	524,615	-	-	525,344
Trading Activities	891,120	2,913,562	-	-	3,804,682
Investment Income	631,477	337	-	388	632,202
Other Income	1,000	-	-	-	1,000
Total Income	1,629,215	3,478,574	-	30,053	5,137,842
Expenditure					
Charitable Activities	464,775	1,861,535	-	43,664	2,369,974
Raising Funds					
Sports Lottery Operations & Fundraising Trading	-	1,434,443	-	-	1,434,443
Trading Activity	99,976	-	-	-	99,976
Investment Management Costs	-	-	339,197	-	339,197
Total Expenditure	564,751	3,295,978	339,197	43,664	4,243,590
Net gains on investments	-	291	872,464	-	872,755
Net Income/(Expenditure)	1,064,464	182,887	533,267	-13,611	1,767,007
Transfers between Funds	-1,064,464	-138,612	1,203,076	-	-
Net Movement in Funds	-	44,275	1,736,343	-13,611	1,767,007
Total Funds Bought Forward	-	3,775,417	38,638,579	588,594	43,002,590
Total Funds Carried Forward	-	3,819,692	40,374,922	574,983	44,769,597

Note 2 Income

Analysis		2021 £	2020 £
Donations	Donations	179,506	154,054
	Government Grant	-	20,560
	Total	179,506	174,614
Charitable Activities	Returned Grants	98,894	525,344
	Hire of Fund Welfare Facilities	-	-
	Total	98,894	525,344
Trading Activities	Lottery Ticket Sales	2,879,821	2,913,562
	Other Trading Income	239,123	891,120
	Total	3,118,944	3,804,682
Investment Income	Dividends on Investments	741,234	632,202
	Investment Dividend Tax Reclaims	-	-
	Total	741,234	632,202
Other Income	Miscellaneous Receipts	28,312	1,000
	Creditor Write-off	-	-
	Total	28,312	1,000

All Amounts relate to unrestricted income with the exception of £13 (2020: £388) of investment income which is allocated to restricted funds

Note 3 Expenditure

Analysis		2021 £	2020 £
Raising Funds	RAF Sports Lottery Operations	1,221,237	1,434,443
	Fundraising Activity	6,401	-
	Investment Management Fees	293,427	339,197
	Trading Company Activity	59,162	99,976
	Total	1,580,227	1,873,616
Charitable Activities*	Enrichment Facilities and Projects	248,876	176,723
	Sports Association Grants	1,207,114	1,167,113
	Development Through Sports Grants	474,977	711,127
	Sports Facilities	429,205	309,110
	Grants to Service Support Charities	688,506	5,901
Total	3,048,678	2,369,974	

* See Note 4 for analysis of support costs

Note 4 Support Costs

	Raising Funds £	Charitable Activity £	Total Cost 2021 £	Total Cost 2020 £
Staff Costs	102,737	367,241	469,978	466,489
Other Costs	51,635	184,571	236,206	197,457
Total	154,372	551,812	706,184	663,946

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

	2021 £	2020 £
Auditors' Fees for Reporting on the Accounts - Charity	14,400	13,800
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	1,800	1,740
Other fees payable to auditors	6,110	4,024
Total	22,310	19,564

Note 6 Trustees & Employees

6.1 Staff Costs	2021 £	2020 £
Wages and Salaries	422,411	420,479
Employer's National Insurance Costs	39,401	37,656
Employer's Pension Costs	8,165	8,354
Total Staff Costs	469,977	466,489

Note 6.1 (continued)

During 2021 the Fund didn't use the services of temporary members of staff. (2020: £20,347, temporary staff costs were recognised within support costs and allocated to Activities).

1 employee earned between £60,001 and £70,000 during the period (2020: 1).

1 employee earned between £100,001 and £110,000 during the period (2020: 1, 110,001 and 120,000).

The Fund made payment to its key management personnel of £177,244 during 2021 (2020: £178,063).

6.2 Average Headcount

	2021 Average	2020 Average
Full-Time	9.60	10.30
Part-Time	2.30	2.00
Total	11.90	12.30

6.3 Payments to Trustees

Trustees neither received nor waived any emoluments during 2021 (2020: £nil). No out of pocket expenses were reimbursed to Trustees. (2020: £Nil).

Note 7 Grants

	Grants 2021 £	Support Costs 2021 £	Total Grants 2021 £	Total Grants 2020 £
Enrichment Facilities and Projects	68,906	179,970	248,876	176,724
Sports Association Grants	1,068,051	139,063	1,207,114	1,167,113
Development Through Sports Grants	372,511	102,466	474,977	711,126
Sports Facilities	302,445	126,760	429,205	309,110
Grants to Service Support Charities	684,953	3,553	688,506	5,901
Total	2,496,866	551,812	3,048,678	2,369,974

Note 7 Grants (continued)

Grants made to Institutions

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

	Grant Award 2021 £	Grant Award 2020 £
RAF Akrotiri	53,000	3,864
RAF Benson	39,586	-
RAF Boulmer	54,027	14,255
RAF Brize Norton	64,935	13,200
RAF Coningsby	38,480	49,670
RAF Cosford	55,785	49,670
RAF Cranwell	29,316	3,941
RAF Halton	54,399	-
RAF High Wycombe	33,996	15,000
RAF Honington	38,300	7,170
Deployed Forces	91,873	48,488
RAF Leeming	33,500	1,590
RAF Lossiemouth	38,600	3,360
RAF Marham	30,258	14,272
RAF Odiham	69,500	-
RAF Valley	32,650	-
RAF Waddington	38,800	5,761
RAF Wittering	29,000	-
RAF Angling Association	51,341	46,193
RAF Bobsleigh, Luge and Skeleton Association	106,960	117,375
RAF Equitation	33,880	8,708
RAF Football Association	32,555	35,968
RAF Gliding & Soaring Association	36,857	26,779
RAF Golf Association	34,599	44,220
RAF Microlight Flying Sports Association	25,850	19,450
RAF Motor Sports Association	92,241	75,376
RAF Rugby Union Association	10,200	28,312
RAF Sailing Association	89,875	78,819
RAF Ski Championships	-	37,461
RAF Small Arms Association	53,645	49,536
RAF Sports Parachuting Association	18,877	26,510
RAF Swimming Association	38,194	36,930
RAF Waterski & Wakeboard Association	25,111	27,856
RAF Winter Sports Association	51,171	95,818
Others	473,100	477,687
Other stations grants from Gift aided profit	154,500	-
Total Grants	2,154,961	1,387,643

During the year 1,536 Grants were made to Individuals (2020:1,548) at a value of £341,905 (2020:£483,513) to enable access to sport and physical activity.

During the year Grants amounting to 684,953 were made to Stations from the gift Aided profit of the Trading company.

Note 8 Intangible Fixed Assets

	Software Development
	£
Cost bought forward at 1 Jan 21	94,524
Additions	18,505
Disposals	-69,642
Cost carried forward at 31 Dec 21	43,387
Amortisation bought forward at 1 Jan 21	63,923
Provision for Year	27,600
Released on disposal	-69,642
Amortisation carried forward at 31 Dec 21	21,881
Net Book Value bought forwards at 1 Jan 21	30,601
Net Book Value carried forwards at 31 Dec 21	21,506

Note 9 Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost bought forward at 1 Jan 21	1,661,484	53,707	225,663	47,016	1,987,870
Additions	-	4,124	25,011	-	29,135
Disposals	-	-28,489	-14,610	-	-43,099
Cost carried forward at 31 Dec 21	1,661,484	29,342	236,064	47,016	1,973,906
Depreciation bought forwards at 1 Jan 21	46,553	26,708	62,095	-	135,356
Provision for year	49,665	22,679	28,952	-	101,296
Released on disposal	-	-28,489	-14,610	-	-43,099
Depreciation carried forwards at 31 Dec 21	96,218	20,898	76,437	-	193,553
Net Book Value bought forwards at 1 Jan 21	1,614,931	26,999	163,568	47,016	1,852,514
Net Book Value carried forwards at 31 Dec 21	1,565,266	8,444	159,627	47,016	1,780,353

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	2021	2020
	£	£
Carrying value bought forward	41,991,679	41,037,158
Additions to investments at cost	39,284,749	12,563,107
Disposals at carrying value	-39,989,015	-13,152,870
Realised gain/(loss) on sale	1,432,767	-710,114
Unrealised revaluation movement	2,405,717	2,254,398
Carrying value carried forward	45,125,897	41,991,679
Historic cost as at 31 December	42,906,801	41,911,395

10.2 Analysis of Investments	Market value 31 December 2021	Market value 31 December 2020	Income from Investments 2021	Income from Investments 2020
	£	£	£	£
Allianz Portfolio Investments	-	31,871,281	162,520	555,103
Mechanics Fund Investments	566,720	614,762	13	388
Blackrock Charinco Common Investment Fund	15,328	15,327	506	337
Insight Global ABS Fund	5,265,056	4,896,183	116,131	76,374
Savills - Charities Property Fund	4,180,367	3,783,821	154,822	-
Marathon - Distressed Credit Fund	1,639,830	402,960	-	-
Ardevora	1,517,888	-	-	-
Baillie Gifford	1,444,214	-	7,204	-
LGIM	13,311,297	-	100,125	-
Barings	6,323,110	-	199,914	-
Beachpoint	5,802,757	-	-	-
Knightsbridge	309,330	-	-	-
JP Morgan -IIF Uk 1	4,750,000	-	-	-
Cash held within Allianz Portfolio	-	407,345	-	-
Total	45,125,897	41,991,679	741,234	632,202

10.4 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
Insight Global ABS Fund	5,683,819	13%
Savills - Charities Property Fund	4,180,367	9%
LGIM - International Index Trust	13,311,297	29%
Barings	6,323,110	14%
Beachpoint	5,802,757	13%
JP Morgan - IIF UK 1	4,750,000	11%

Note 11 Debtors and Prepayments

Group

Analysis of Debtors	2021 £	2020 £
Trade Debtors	109,318	61,286
Prepayments and Accrued Income	402,807	963,694
Total	512,125	1,024,980

Charity

Analysis of Debtors	2021 £	2020 £
Trade Debtors	43,295	12,801
Prepayments and Accrued Income	388,995	249,398
Total	432,290	262,199

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 2021, payable in Q1 2022

Note 12 Creditors and Accruals

Group

12.1 Analysis of Creditors falling due within one year	2021 £	2020 £
Committee Grant Creditors	118,043	142,923
Sports Grant Creditors	1,032,595	1,052,184
Tax and Social Security Creditors	11,672	14,507
Accruals and Deferred Income	301,062	461,050
Other Creditors	86,490	67,309
Total	1,549,862	1,737,973

Charity

12.1 Analysis of Creditors falling due within one year	2021	2020
	£	£
Committee Grant Creditors	118,043	142,923
Sports Grant Creditors	1,032,595	1,052,184
Tax and Social Security Creditors	11,672	13,273
Accruals and Deferred Income	234,538	382,683
Other Creditors	58,847	53,464
Total	1,455,695	1,644,527

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund - Unrestricted.
Mechanics Fund	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.
Vine Lane	Designated	Funds generated to support the ongoing maintenance and activities at Vine Lane.
Feshiebridge Lodge	Designated	Funds generated to support the ongoing maintenance and welfare activities at Feshiebridge Lodge.
Danesfield	Designated	Funds generated to support the ongoing maintenance and activities at Danesfield.
RAF Sports Board Pension Fund	Designated	Funds transferred from unrestricted funds to support potential future payments to RAF Sports Board pensioners (see additionally note 14).
Sports Lottery Fund	Designated	Income generated through the RAF Sports Lottery designated for distribution to benefit RAF sports related grants.
Community Support Grants Fund	Designated	Monies transferred from unrestricted funds to support applications for funding enrichment projects of a significant capital nature.

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	-	1,144,775	-1,397,874	253,099	-	-
Expendable Endowment Fund	40,374,922	-	-293,427	100,325	3,838,484	44,020,304
Mechanics Endowment Fund	574,983	13	-34,276	-	-	540,720
Vine Lane Fund	96,493	-	-35,745	18,413	-	79,161
Feshiebridge Lodge Fund	1,527,826	505	-3,582	-23,132	-	1,501,617
Danesfield Fund	169,779	45,000	-32,083	-77,302	-	105,394
RAF Sports Board Pension Fund	405,299	-	-	-	-	405,299
Sports Lottery Fund	1,620,295	2,976,597	-2,831,918	-271,403	-	1,493,571
Total Funds	44,769,597	4,166,890	-4,628,905	-	3,838,484	48,146,066

Note 13 Funds

13.3 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment Fund	Support 2021 Grant Awards	253,099
Sports Lottery Fund	Expendable Endowment Fund	Support 2021 Grant Awards	271,403
Expendable Endowment Fund	Vine Lane Fund	Support 2021 Activities Vine Lane	18,413
Feshiebridge Lodge Fund	Expendable Endowment Fund	Support 2021 Activities Feshiebridge Lodge	-23,132
Expendable Endowment Fund	Danesfield Fund	Support 2021 Activities Danesfield	-77,302

13.4 Analysis of Net Funds

	Expendable Endowment £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	21,506	-	21,506
Tangible Fixed Assets	252,212	1,528,141	-	1,780,353
Fixed Asset Investments	42,377,397	2,181,780	566,720	45,125,897
Net Current Assets	1,390,695	-146,385	-26,000	1,218,310
Total Net Assets	44,020,304	3,585,042	540,720	48,146,066

Note 14 Commitments and Contingent Liabilities

Prior to March 2014, the Fund made contributions towards the costs of pensions being paid to these past employees under a by analogy Principle Civil Service Pension Scheme ('PCSPS'). Under the terms of the 2014 transfer agreement, the enduring commitment to meet these contributions were transferred to the RAF Sports Board with effect from the date of the transfer. The Fund accounted for the scheme until March 2014 as if it were a defined contribution scheme in line with current HM Treasury guidance.

At the 2021 year-end there is sufficient uncertainty with regards to the exact status of the Fund's pension situation to deem it inappropriate to recognise a provision for future payments in respect of past service of former employees in the financial statements.

To ensure that optimal clarity is provided, the Trustees have designated funds at the year-end to a level they consider represent the best estimate of any potential constructive obligation relating to this matter.

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 2021 is deemed to be £2,291,660 (2020: £2,250,896).

Note 16 - Transactions with Related Parties

There are no outstanding related party transactions as at 31 December 2021.

Note 17 Subsidiary Entities

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

	2021	2020
	£	£
Income		
Trading Income	263,957	891,778
	-	-
Total Income	263,957	891,778
Expenditure		
Trading Activities	78,702	133,453
Total Expenditure	78,702	133,453
Net Result of Subsidiary	185,255	758,325

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.

The inter-company balance owed to the Trading Company was £-6,619 (2020: £6,814).

During the year the Trading Company was re-charged £34,445 and charged the Fund £4,935.

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 2021. (2020: £Nil)