

The Royal Air Force Dependants Fund

Annual Report and Financial Statements

For the year ended 31 December 2020

OFFICE HOLDERS AND PROFESSIONAL ADVISERS

Trustee: The Royal Air Force Benevolent Fund

Trustees of the Royal Air Force Benevolent Fund

Lawrie Haynes D Eng BA (Hons) FCILTR FRSA
Kathryn Adamson (until 23 October 2020)
Allyson Arnold, MSc, BScN (Hons) (from 1 June 2021)
Patrick Aylmer FCA (from 1 June 2021)
Alison Benjamin BA (Hons) (from 1 June 2021)
Frances Brindle MSc BSc (Hons)
Sarah Casemore MBA (from 1 June 2021)
David Cheyne MA (Cantab)
Graeme Craig MA
Richard Cryer MA (Cantab) FCA (from 1 June 2021)
Dr Stephen Critchley MA (Hons) D Phil FCA (until 26 November 2020)
Wing Commander Sarah Davis MBA MSc FCIPD (from 1 June 2020)
Air Vice-Marshal Simon Dougherty MBE MSc MBBS FRCP FFOM DAvMed DObstRCOG FCMI
FRAeS (until 1 June 2020)
Richard Ingham (until 25 March 2021)
Alastair Irvine BA (Hons) MCSI (from 26 November 2020)
Wing Commander Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN
Graeme Shankland
Air Vice-Marshal Elaine West CBE

Management Committee Members

Air Vice-Marshal The Honourable David Murray CVO OBE (Chair) (until 20 April 2020)
Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair) (from 20 April 2020)
Frances Brindle MSc BSc (Hons)
Group Captain Jacqueline East (until 11 May 2021)
Victoria Fakehinde BSc (Hons) ACMA CGMA
Air Commodore Paul Hughesdon MA
Graeme Shankland
Group Captain Colin Owen (from 11 May 2021)

Company Secretary

Air Commodore Paul Higgins MA BA (Hons) FCILT FCMI

RAF Dependants Fund Manager: Andy Cairns

Principal Office: 67 Portland Place, London, W1B 1AR

Charity Number: 253492

Independent Auditors

Saffery Champness LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers

Barclays Bank Plc, 1 Churchill Place, London E14 5HP

Solicitors

Charles Russell Speechleys LLP, 5 Fleet Place, London EC4M 7RD

Investment Managers

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustee presents its annual report and financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Scheme, the Charities Act 2011 and the Charities SORP (FRS102).

Structure, governance and management

The RAF Benevolent Fund, a charity registered in England and Wales, charity number 1081009, is the sole trustee of the Royal Air Force Dependants Fund. The consolidated financial statements for the year ended 31 December 2020 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR and www.rafbf.org.

The Royal Air Force Dependants Fund is an unincorporated, registered charity, number 253492. It was originally established under a trust deed dated 1 February 1967 which was subsequently amended in December 1972. In October 2009 the Charity Commission approved a scheme to govern the Charity. The scheme amended the Charity's objects, discharged the custodian trustee and appointed the Royal Air Force Benevolent Fund (RAFBF) as Trustee.

The object for which the Charity is established is such charitable purposes as the Trustee of Royal Air Force Dependants Fund shall think fit including but not limited to:

- Promotion of recruitment to, and the morale and efficiency of Royal Air Force by any means but principally (though not exclusively) by providing a sum of money or other assistance to provide immediate support to family member(s) or dependant(s) of beneficiaries;
- The relief in need, hardship or distress of beneficiaries and their families and dependants.

Although the Trustee may assist dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of discretionary grants, loans, gifts, pensions or otherwise, in practice, only death grants are made by the Charity.

The Trustee has appointed a Management Committee to which it has delegated the power to undertake the following functions:

- Oversee the day to day management and administration of the Fund.
- Make recommendations to the RAFBF in full regarding any issues relating to the management and administration of the Fund.
- Such other responsibilities and activities in full as the RAFBF may from time to time decide.

Under its terms of reference, the Management Committee consists of at least three but no more than six members appointed by the trustees of the RAFBF, of whom at least two must be trustees of the RAFBF. At least one member of the Management Committee must be a serving member of the Royal Air Force, appointed by the Deputy Commander Capability and Air Member for Personnel (DCom Cap&), by notice in writing to the Secretary. The serving member holds office until such time they resign from this position or until such time as the DCom Cap& appoints another serving member in their place. The trustees of the RAFBF have appointed the following office holders as members of the Management Committee to hold office until such time as they leave from office:

- Controller, Royal Air Force Benevolent Fund
- Director of Welfare and Policy, Royal Air Force Benevolent Fund; and
- Director of Finance, Royal Air Force Benevolent Fund.

The Management Committee meets once a year to decide the Charity's strategy, policies, set the level of the subscription, agree the maximum amount of the death grant, review the risks facing the Charity and review the performance of the Charity's professional advisers. The day to day administration of the Fund is delegated to a member of staff, the RAF Subscriptions Manager, who operates from office accommodation provided by the RAFBF. The Subscriptions Manager gives presentations about the benefits that the Fund offers to new recruits at RAF College Cranwell and RAF Halton. Financial, governance and other support are provided by staff of the RAFBF for which the Royal Air Force Dependants Fund is charged an annual administration fee.

Risk management

The Management Committee has reviewed the major risks to which the Charity is exposed and has established systems and procedures to manage those risks. The main risk identified is that of the Fund having insufficient assets to meet the expected level of death grants in the event of an incident resulting in major loss of life. The Committee manages this risk in two ways. First, the Charity has calamity insurance to cover the deaths of more than 15 and up to and including 250 members dying in a single incident, including the loss of an aircraft due to a technical fault whilst flying over a conflict zone. Second, the Charity aims to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months.

Objectives and activities for the public benefit

The Fund was established in 1967 to relieve immediate financial distress in the event of the death of a subscriber, from whatever cause, by giving a tax-free death in service grant, payable, at the discretion of the Trustee, to a beneficiary nominated by the subscriber. Since the Fund was established, up to and including 31 December 2020, 3,302 death grants have been made.

The Fund is very popular with service personnel due to its simplicity of design, worldwide cover without restriction on cause of death, and the timely payment to beneficiaries of a tax-free lump sum when it is most needed.

The Management Committee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and policies.

At 31 December 2020 there were 29,669 subscribers to the Fund, some 92% of RAF personnel, compared with 30,142 (92%) at 31 December 2019. 15 subscribers died during the year, compared with 19 in 2019 and an average in the period 2005 to 2019 of 13 each year. Natural causes accounted for 6 deaths, 3 in Road Traffic Accidents, 1 due to a non-operational accident and 5 took their own lives. Of those who died, 1 was aged under 30, 9 were aged between 30 and 40, and 5 were aged over 40.

The Charity paid £262,500 in death grants to 15 beneficiaries. In keeping with the Charity's object of relieving immediate financial distress, all payments aim to be made within 48 hours of the notification of the death.

Financial review

The Charity's work is reliant on income from subscribers and returns on its investments. Income from subscriptions in 2020 amounted to £181,996 (2019: £184,324). These subscriptions are deducted from gross pay under the Give As You Earn Scheme. Income from investments and bank interest amounted to £209,305 (2019: £203,370). Total resources expended amounted to £291,721 (2019: £358,960) of which £262,500 (2019: £332,500) was for death grants. The net gains on investment assets was £405,980 (2019: £928,602 gain). As a result, the fund balance increased from £6,511,757 at 31 December 2019 to £7,017,317 at 31 December 2020.

The subscription has been 50p per month since May 2009 and the maximum death grant payable was reviewed in June 2018 and increased to £17,500 and has remained the same up to 31 December 2020.

Investment policy and performance

The Fund's investment policy is to enhance the value of its investments and earn an appropriate return through the adoption of a managed, diversified portfolio taking a medium level of risk. The main objectives of the policy are:

- To hold investments in a manner that will assist the Fund in delivering its objectives in the short, medium and long term.
- To adopt a total return investment policy with the aim of achieving gross target return of CPI plus 5% on a five-year rolling basis.
- To earn a rate of total return above inflation, so that real capital value is preserved while also generating income to be used for welfare activities.
- To measure overall performance against an agreed market derived benchmark and use an industry wide peer group benchmark to assess performance against the average.
- To employ investment managers who generate low costs and develop relatively stable portfolios that meet the objectives of this strategy in the long term.

The return on investments in the year comprises the investment income generated and the capital gains or losses on the underlying investments. A total return of 6.4% was achieved in 2020 (2019: 17.9%). During 2020 the unrealised gains amounted to £405,980 (2019: unrealised gains of £928,602). The lower increase in the valuation of the investments compared to 2019 was mainly due to the turbulent market movements seen in 2020 as a result of the Covid-19 impact.

The impact of Covid-19 on the markets resulted in a £59k (under 1%) decline in the market value of our investments in the first half of the year and another £161k (2.6%) decline in market value in October 2020. The market value recovered as at 31 December 2020 to show an increase in value to £6,725,445 (2019: £6,319,465).

Reserves policy

The Management Committee has reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. Although calamity insurance is in place to cover the deaths of more than 15 and up to and including 250 members dying in a single incident, including the loss of an aircraft due to a technical fault whilst flying over a conflict zone, the Management Committee is aware that an incident resulting in a major loss of life could occur as the result of terrorism or warfare. The Management Committee therefore believes that it is prudent to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months. This is equal to an amount of £5,265,000. At the year-end reserves were above this level at £7,017,317 largely due to the unrealised gains on investments.

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Plans for the future

The Management Committee plans to continue to make death grants to beneficiaries, usually within 48 hours of being notified that a subscriber has died. The Management Committee does not expect the Covid-19 crisis to have an impact on the Charity's ability to continue to pay death grants.

Statement of Trustee Responsibilities

The Trustee is responsible for preparing the Trustee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of its trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board on 11 June 2021



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Lawrie Haynes

Signed on behalf of the Board of Trustees

Date: 16 June 2021

Independent Auditors' Report to the Trustee

Opinion

We have audited the financial statements of The Royal Air Force Dependants Fund for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

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

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

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

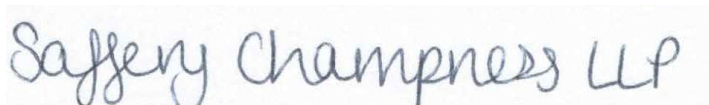
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of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

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

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

Use of our report

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



Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 23/07/2021

71 Queen Victoria
Street, London,
EC4V 4BE

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

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

		2020	2019
		£	£
Income from:	Note		
Subscriptions		181,996	184,324
Investments:			
Invested funds		209,036	201,844
Bank deposits		269	1,526
Total income		391,301	387,694
Expenditure on:			
Expenditure on charitable activity	3	(291,721)	(358,960)
Net operating income		99,580	28,734
Net gains/(losses) on investment assets		405,980	928,602
Net income/(expenditure) and net movement in funds		505,560	957,336
Fund balance brought forward		6,511,757	5,554,421
Fund balance carried forward		7,017,317	6,511,757

All funds are unrestricted funds.

There are no recognised gains or losses in either period other than as disclosed above.

The notes on pages 11 to 14 form part of these financial statements.

BALANCE SHEET

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	4	6,725,445	6,319,465
Current assets			
Debtors	5	63,402	61,734
Bank balances and cash		253,452	204,455
		<u>316,854</u>	<u>266,189</u>
Creditors: amounts falling due within one year	6	<u>(24,982)</u>	<u>(73,897)</u>
Net current assets		<u>291,872</u>	<u>192,292</u>
Net assets		<u>7,017,317</u>	<u>6,511,757</u>
Funds of the charity:			
Unrestricted income fund		<u>7,017,317</u>	<u>6,511,757</u>

The notes on pages 11 to 14 form part of these financial statements.

Approved by the Trustee on 11 June 2021 and signed on its behalf by



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Lawrie Haynes

Signed on behalf of the Board of Trustees

Date: 16 June 2021

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Principal accounting policies

Basis of preparation

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

Accounting convention

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

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland Charities SORP (FRS102) and the Charities Act 2011.

Going concern

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Subscription income

Subscription income is accounted for in the period in which it is receivable.

Investment income

Investment income is accounted for an accrual basis.

Resources expended

All expenditure is recognised in the period in which it is incurred. Resources expended include attributable VAT which cannot be recovered.

Payments to dependants are included in the financial statements based on claims notified to the Fund during the accounting period.

Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the Fund and include the cost of external audit and other constitutional related matters.

Support costs

Support costs have been allocated between charitable activity and governance costs on the basis that the individual costs support the work carried out for the core purpose of the Fund.

Investments

Investments are stated at market value as at the balance sheet date and the gain or loss taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Pensions

Staff are enrolled in the RAF Benevolent Fund's Group Personal Pension Plan scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. Interest and dividends

Income from investments is shown gross of recoverable income tax.

3. Expenditure on charitable activity

	2020	2019
	£	£
Death payments	262,500	332,500
Staff costs	22,863	17,040
Support costs:		
Administrative expenses	41	41
Other expenses	1,142	3,764
Governance - audit fee	5,175	5,615
	291,721	358,960

Staff costs and other expenses are payable to RAF Benevolent Fund.

Staff costs include:

	2020	2019
	£	£
Wages and salaries	19,103	14,320
Pension costs	1,897	1,392
Social security	1,863	1,328
	22,863	17,040

Key management personnel are deemed to be the members of the Management Committee none of whom received or waived any emoluments or expenses during the period (2019: nil).

The sole Trustee, the RAF Benevolent Fund neither received nor waived any emoluments during the period (2019: nil).

The Fund has two employees (2019: two) neither of whom receives employee benefits of more than £60,000.

4. Fixed asset investments

Movements in investments during the period:	2020	2019
	£	£
Market value at beginning of period	6,319,465	5,165,863
Additions to investments at cost	-	225,000
Net gains on revaluation	405,980	928,602
Market value at end of year	<u>6,725,445</u>	<u>6,319,465</u>
Analysis of investment:		
Market value		
CCLA - COIF Charity Funds	<u>6,725,445</u>	<u>6,319,465</u>

The historical cost of investments held is £5,190,081 (2019: £5,190,081).

5. Debtors

	2020	2019
	£	£
Members' subscriptions receivable	14,801	15,041
Investment dividend receivable	48,601	46,693
	<u>63,402</u>	<u>61,734</u>

6. Creditors

	2020	2019
	£	£
Audit fee accrual	4,440	5,580
Death grant accrued	17,500	17,500
Due to The Royal Air Force Benevolent Fund	3,042	50,817
	<u>24,982</u>	<u>73,897</u>

7. Related party transactions

Expenditure of £24,005 (2019: £20,804) incurred by the Fund during the year was initially settled by the Royal Air Force Benevolent Fund. A balance of £3,042 (2019: £50,817) was due to the Royal Air Force Benevolent Fund as at 31 December 2020. There are no other related party transactions that require disclosure.

8. Parent undertaking

In the Trustee's opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, England and Wales Charity number 1081009; Scotland SCO38109. Copies of its group financial statements, which include the Charity, are available from 67 Portland Place, London, W1B 1AR.