

# The Royal Engineers Association

(Registered under the Charities Act 1992 and a charity registered in Scotland)

Patron: HER MAJESTY THE QUEEN



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All Council Members  
All Management Committee Members  
All Group Directors  
All Group Secretaries  
All Branch Secretaries  
Controller REA  
Corps Treasurer

26 May 2016

**THE MINUTES OF 68<sup>th</sup> MEETING OF ROYAL ENGINEERS ASSOCIATION COUNCIL HELD IN MEETING ROOM 063MR13 IN MAIN BUILDING, MOD WHITEHALL, LONDON, ON TUESDAY 3<sup>rd</sup> MAY 2016**

## PRESENT

Lt Gen Sir Mark Mans KCB CBE DL  
Maj Gen A S Dickinson CBE  
Brig D W Southall OBE  
Col D L D Bigger ADC  
WO1 (CRSM) C McLennan  
Lt Col L Inge  
Lt Col A J Bunting  
Lt Col R W Murfin TD DL  
Mr B Owens  
Mr K Green  
Mr E Hargreaves  
Mr R Price  
Mr G H Walsh  
Mr W P Halloran  
Mr T Mitchley

President REA  
Chairman REA  
Comdt HQ RSME  
Corps Col  
Corps RSM  
Retired Officer  
Central Southern Group  
Reserve Army  
South East Group  
South Midlands Group  
North West Group  
North Midlands Group  
South Wales Group  
North East Group  
East Anglia Group

## IN ATTENDANCE

Maj Gen S A Burley CB MBE  
Lt Col N Jordan  
Maj I Sidebottom

Chairman Corps Finance Committee  
A/Controller REA  
Corps Treasurer

## **APOLOGIES**

Brig A S Craig OBE

Col C M Davies MBE

Maj R C A Macgregor MBE TD VR

Maj P Gill MBE JP

Deputy Chairman

Hon Treasurer

Scotland & NI Group

South West Group

1. The President opened the meeting and welcomed those present especially those who had come from afar and that apologies had been received from those listed above.

2. A welcome was extended by the President to four new members of Council for whom it was their first meeting:

- Col D L D Bigger ADC - Corps Colonel
- Lt Col (Retd) L Inge – Retired Officer trustee
- WO1 (CRSM) C McLennan -WO1 Nominated by Chief Royal
- Mr Eric Hargreaves – North West Group

## **ITEM 1 – DECLARATION OF CONFLICTS OF INTEREST**

3. The President explained that the Charity Commission had issued guidance on conflicts of interest for charity trustees. He said the Charity Commission expects all charities to have a standard agenda item at the start of all trustee meetings asking each trustee to declare any actual or potential conflicts of interest. This procedure should, at least, ensure that conflicts of interest are identified at the earliest opportunity.

4. The President asked the trustees to declare any actual or potential conflicts of interest. There were no conflicts of interest, actual or potential, declared by any of the trustees.

## **ITEM 2 - TO CONFIRM THE MINUTES OF THE 67<sup>th</sup> MEETING OF COUNCIL**

5. Council accepted that the Minutes of the 67<sup>th</sup> Meeting were a true record of the proceedings. The President signed the Minutes.

## **ITEM 3 - MATTERS ARISING FROM THE 67<sup>th</sup> MEETING**

6. Paragraph 6. The President had asked if RHQ REA could advertise in advance, through the various publications and social media sites available, the Corps sporting activities taking place throughout the year in order to keep the REA Groups and their Branches well informed and maximise attendance at these events. Those events notified to HQ REA (S300 events) have been published online. The President said that the way REA advertises on its website and Facebook page was very good and indeed an example to others.

7. Paragraph 8. The Corps Col and the Chairman of the RE Sports Board were requested to look at and determine whether the allocation of Army v Navy rugby match tickets was as fair as possible across the RE Regular, Reserves and Veteran community. The Corps Colonel responded by saying that in previous years the Corps had been given an allocation which was shared amongst units, the situation has now changed and tickets will be issued only to named individuals on a first come, first served basis. This was confirmed by Maj Gen Burley in his role as Chairman of Army Rugby. He said that it used to be that each cap-badge was given an allocation of tickets but now, due to security and police incidents, tickets will only be issued to named individuals; tickets will not be transferable. Tickets for serving Sappers will be allocated to a unit ticket rep for major and most minor units, individuals in 'out stations' will be able to bid direct to their unit ticket representative. There is no allocation for the veteran community.

8. Paragraph 13. Comdt RSME had asked if HQ REA could confirm whether the reduction in benevolence cases was due to a lack of SSAFA or TRBL case workers, or their availability; or was it simply due to a reduction in the numbers requiring benevolence. A recent telecon with the ABF revealed that over the past two years a decline in cases has been recognised by both SSAFA and TRBL. TRBL are currently carrying out a study to determine why there is a decline – it is not clear if or when a report will be published. The President said we should wait for the publication, if any, and draw conclusions from that. He continued by saying he thought the reduction in case number was attributable to the success of the Armed Forces Covenant, in particular with Local Authorities, and the fact that the National Service cohort is in decline.

#### **ITEM 4 – TO NOTE THE PROCEEDINGS OF THE 124<sup>th</sup> MEETING OF THE MANAGEMENT COMMITTEE**

9. The President advised members that Paragraph 31 of the Management Committee Minutes *recommended* to Council annual grants to the Chatham, Chilwell and Minley Veterans' Weekends.

#### **ITEM 5 – TO NOTE THE REPORT OF THE BENEVOLENCE COMMITTEE**

10. The Acting Controller presented the Benevolence Report for the 12 month period ending 31<sup>st</sup> December 2015. The report is at **Annex A**.

11. The President said he found Table 1 at Paragraph 2 of the report most useful and suggested that it could be used in the future as an analytical tool to compare our category of needs with those identified by other charities. The Acting Controller advised that the ABF – The Soldiers Charity and the TRBL had changed their category of needs; until the REA is brought into line with these charities a meaningful comparison of categories would be difficult to carry out.

*After note: The President attended an additional meeting after the REA Council meeting which was attended by a prominent SSAFA official. He said a SSAFA study that is looking at the future needs of veterans was due to be published later this year.*

12. The Benevolence Report was accepted.

#### **ITEM 6 - TO NOTE THE CORPS COLONELS REPORT ON THE CORPS**

13. The Corps Col presented his report. A detailed account of his presentation is contained within his report at **Annex B**.

14. The Corps Col said that he and the CRSM had now visited just about every regular and reserve regiment in the Corps. He said the Corps is as busy as now as it ever was at the height of the Afghanistan campaign. He gave some brief information on current and future deployments and projects. He reported that Corps was in excellent health and held in the highest regard by Defence, other Government departments and indeed the general public.

15. He continued by saying that recruiting in the Corps remains buoyant in comparison with the rest of the Army; unfortunately the termination and PVR rates in the Corps are the highest in the Army. This is probably due to the pick-up of the construction industry and the need for qualified tradesmen.

16. Corps marketing and branding was progressing well and the Corps Colonel asked all to note that the agreed Corps brand is the cap-badge and our straplines is 'The British Army's Military Engineers "*Engineering Solutions Everywhere*".

17. The Corps Colonel reminded members that tickets for the Musical Extravaganza 'Night at the Proms' were still available and those requiring tickets should contact Mrs Mary Downie at Corps Funds, telephone 01634 822998. He also asked that those attending Sapper 300 events take plenty of

photos; these could be used to populate the proposed Sapper 300 scrap book.

18. The President thanked the Corps Col for his detailed report and reminded members that all Sapper 300 events info is on the REA website and Facebook page. He continued by saying that in January each year he writes a letter to HM The Queen, our Colonel in Chief, updating her on what is going on in the Corps. He was keen to include some eye-catching anecdotes to bring the letter to life, in particular anecdotes about individuals and their achievements. He asked that any such anecdotes be passed to the Acting Controller in time for them to be considered for inclusion in his letter.

19. The Corps Col's report was accepted.

**ITEM 7 – TO NOTE THE MINUTES OF THE 115<sup>th</sup> REA FINANCE COMMITTEE MEETING AND TO CONSIDER AND APPROVE THE FOLLOWING DOCUMENTS:**

- **The recommendations of the REA Finance Committee – Paragraphs 15a, 15b, 15c and 19 of the Cttee Minutes.**
- **The Trustees Annual Report and Financial Statements for the Royal Engineers Association for the year 2015**
- **Trustee Letter of Representation**
- **Key Issues Memorandum (KIM) 2015**
- **Auditors for FY 2016**

20. The President said he would like to deal firstly with Paragraph 19 of the Minutes of the 115<sup>th</sup> REA Finance Committee Meeting as this involved Maj Gen Burley who had another urgent meeting to attend.

21. By way of background the President said Gordon's School had, through Maj Gen Burley (Chairman of the RE Finance Committee), asked the Corps to support two bursaries each year at a cost of £15k each. A proposal to enable the school to set up a fund to assist children of Sapper families in need was put to the Chief Royal's Committee. After reassurance from Maj Gen Burley that the income from the Kitchener Fund was sufficiently robust and that providing this degree of support to a single school would neither set a precedent nor preclude assistance elsewhere, the Chief Royal's Committee supported the suggestion that a donation of £30k each year for 5 years could be given to the school from the RE Kitchener Scholarship fund. Any underspend from this donation would be rolled each year. The President said that the REA Finance Committee had considered the proposal and it did not find favour with them.

22. The President asked Maj Gen Dickinson if he had anything to add to that summary. Gen Dickinson said that he absolutely endorsed and respected the view of the REA Finance Committee decision but considered there were other ways in which Council might approach the matter. Firstly, there was the provision of benevolence where a child is at school and the parents find themselves in financial straits and unable to continue funding their child's education; this provision is in place. Secondly, there was the provision of a proactive scholarship, whereby a scholarship fund is established that is not reliant upon compassionate considerations; such a fund is not in place. He continued by saying that whilst we had the mechanism to deal with necessitous children he thought that the Objects of the Kitchener Scholarships Fund could be loosened in order that the fund might provide for children other than those orphaned or with a parent disabled whilst serving.

23. The President introduced Maj Gen Shaun Burley who then provided a more detailed explanation of Gordon's School proposal. He stressed the long and historic association with the Corps which the school community valued. He said this link had weakened in recent years and the school was keen to rejuvenate it.

24. There was considerable discussion about the relationship that the Corps has with Gordon's School. The President agreed that a special relationship with the school should be developed but

suggested that it was a two way street and further dialogue with Gordon's School outside of this forum would be necessary.

25. The President summed up by saying that firstly the Corps needs to engage with the school over a priority mechanism for sapper children to attend the school. Secondly, he said as far as supporting the school in terms of necessitous children was concerned, the REA already have mechanisms in place to cater for that, whether it was the RE Kitchener Scholarships Fund or normal benevolence resources. He said the third element was whether or not there should be a separate bursary or scholarship fund with the Royal Engineers to support children of the Corps, who are not necessitous; again this was something that would be pursued outside of this forum.

26. The President asked Council if they might agree to two things: to engage with the School to agree a special relationship in terms of priority particularly for necessitous children but also others, and to use the existing REA mechanisms to support any children that are going to go to Gordon's School whether they be orphaned or their service parent is disabled. Council voiced their agreement.

27. The President moved on to the remaining proposals from the REA Finance Committee. In respect of Paragraph 15a, there was a proposal to increase the Special Christmas Grant. The President fully supported the proposal as did Council.

**Proposal:** To increase the Special Christmas Grants (SCG) by 25% so the highest level grant increases from £60 to £75<sup>1</sup>. This increase to be applied in time for the Christmas 2016 grants.

**Proposed:** Col C Davies  
**Seconded:** Lt Col L Inge  
**Vote:** Carried

28. The President outlined the proposal at Paragraph 15b to revise the grants currently made to external military charities. He said the proposal was eminently fair and worthy of support. Before offering the proposal to Council, the President spoke briefly on support to charities dealing with homeless servicemen. He was not aware of any specific charity that dealt with former sappers but was aware that there were homeless sappers on the street, and that perhaps Council would bear that in mind when considering where to make the £3k grant at the next meeting. He continued by asking if the REA had ever considered supporting Corps charities. By way of example he spoke about the Royal Engineers Vocational and Educational Training Trust (REVETT) which ensures that the continued professional development of our soldiers is enhanced through the provision of civilian accredited qualifications; this is particularly important for gaining the requisite trade qualifications prior to termination or discharge. There is a real link between this charity and the Objects of the REA, and now that Government funding to REVETT has dried up, this charity appears to be a most worthy cause the REA may wish to consider in the future.

**Proposal:** To revise the annual grants<sup>2</sup> to other charities as follows with effect from 2016:

- Increase the grant to ABF from £35,000 to £40,000.
- Increase the grant to SSAFA from £7,500 to £15,000.
- Increase the grant to Combat Stress from £2,500 to £5,000.
- Make BLESMA one of the 'standing' grants at £5,000.
- Retain the £3,000 annual grant for a charity to be nominated at Council.

**Proposed:** Col C Davies  
**Seconded:** Barry Owens  
**Vote:** Carried

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<sup>1</sup> There are 5 categories of SCG of £60, £36, £30, £24 and £18. A 25% increase (rounded up) will result in grants of £75, £45, £38, £30 and £23. Total additional cost to the budget will be £2,904 per annum.

<sup>2</sup> Total additional cost to the budget of £20k per annum.

29. The President said that Paragraph 15c was a proposal to give the serving and retired members of the Corps an opportunity to bid against a £1m allocation from the REA in support of ongoing, or aspirational, projects or activities which lack financial support from public funds. He said it was important that the parameters of the support that might be provided are well established beforehand, otherwise there would be an unmanageable tsunami of requests for all manner of things. Overall he supported the proposal.

**Proposal:** To give the serving and retired members of the Corps an opportunity to bid against a £1m allocation from the REA in support of ongoing, or aspirational, projects or activities which lack financial support from public funds. Units/Branches to submit a one page business case (which must satisfy the Objects of the charity) via Group HQs for initial filter before being presented to Council, via the REA Finance Committee, for consideration and approval. The proposal to be made public in 2016 with allocations released in 2017. These would be one-off grants with no long term commitment for maintenance or upkeep inferred.

**Proposed: Col C Davies**

**Seconded: Eric Hargreaves**

**Vote: Carried**

30. The President introduced the **Trustees' Annual Report & Financial Statements**. The document is at **Annex C**. He suggested some textual changes to the text which were noted by the Corps Treasurer for amendment.

31. The President said the **Trustee Letter of Representation** is a standard document sent to the auditors each year. It is a statement from the Trustees' that the financial statements submitted for audit provides a true and fair reflection of the results and financial position of the charity. The President reminded members that each and every one of them is stating compliance with the details of the letter. The Finance Committee recommended Council approval. The President asked for Council's approval of the document which was received.

32. The President spoke briefly on the **Key Issues Memorandum 2015 (KIM)**. The KIM describes measures put in place with regards to generic observations raised last year relating to all Corps charities. The previous year's issues have all been resolved. The only issue raised in the 2015 KIM specific to the REA was in relation to the St. Helen's Branch Annual Financial Summary, as a result, the St. Helen's Branch will be selected as one of auditor's desk top audits for 2016.

33. The President explained that a Tender Board process was held between November 2015 and January 2016, resulting in Kreston Reeves LLP (the Corps current external professional auditors) being re-appointed for 2016 and beyond. The REA Finance Committee supported the process, in pursuit of good Governance, and commended the decision to Council.

**Proposal:** To accept the REA Trustees' Annual Report & Financial Statements 2015.

**Proposer: Brig D W Southall OBE**

**Secunder: Lt Col A J Bunting**

**Vote: Carried**

## **ITEM 8. UPDATE ON 2016 BUDGET (FOO) AND VALUATION OF REA (AFCIF) INVESTMENT**

34. The Corps Treasurer briefed the committee on the current Forecast of Outturn (FOO) and the most up-to-date valuation of the REA Armed Forces Common Investment Fund (AFCIF) investment.

## **ITEM 9. STAFFING OF HQ REA**

35. The President invited Maj Gen Dickinson to provide an update on staffing within HQ REA. Gen Dickinson began by registering his thanks to Lt Col Neil Jordan for stepping up to the plate again and covering the duties of the Controller as well as his own. He continued by saying that there was a possibility that the public purse would not continue to fund Arms & Services HQ's in the future as they currently do, and that there was a need to look at how HQ RE is manned as a whole. This work would be carried out over the coming months to determine how best to resolve the issue. Council members were advised that this is likely to result in a review of the roles of both the Controller and the Deputy Controller, and a look at how the salaries of both posts are funded. The President said the good news was that we are not short of money and if we do need to pay for additional civilian staff, we can. He asked that if possible the review could be completed by the next meeting of Council in September.

## **ITEM 10. ARMY REBASING – ITS IMPACT UPON THE REA GROUP STRUCTURE**

36. The President asked Maj Gen Dickinson to lead on this Item. Gen Dickinson said the Army is reorganising itself under 'Footprint Strategy2' and until this Strategy has been ratified it will not be possible to do any work on better aligning and allocating Groups HQ to Branches.

## **ITEM 11. ANY OTHER BUSINESS**

37. **Change to MOD Motor Mileage Allowance.** The President said that the MOD Civil Service UK Motor Mileage Allowance will change from the existing two rates (40p/25p) for Standard or Private Travel Rate to a single 30p rate for the first 10,000 miles, and 25p for claims over 10,000 miles. As the REA closely follows MoD practice, this change will impact upon the travel claims of members carrying out the authorised business of the REA, in particular Standard Bearers.

**Proposal: That the rate of MMA payable by HQ REA for duty travel be increased from 25ppm to 30ppm.**

**Proposer: Gerry Walsh**

**Secunder: Trevor Mitchley**

**Vote: Carried**

38. **The Corps Memorial at the NMA.** The President gave details of his recent visit with the Corps Colonel to the Corps Memorial at the NMA. He said he thought there was a need to look at how the Corps Memorial is managed in terms of governance, maintenance, enhancements and funding. During his visit he met two of the volunteers that look after the Corps Memorial, Chris Carpenter and John McGann and said they were doing a fantastic job but the management of the Memorial needed to be sustainable in the long term. His initial thoughts were that the Memorial should perhaps be the responsibility of the Corps Affairs Committee. He continued by saying that the Corps Colonel and the CRSM were looking at some enhancements to be put in place to commemorate Sapper 300. In this regard, he asked the Corps Colonel to touch base with Maj Gen Dickinson and Maj Gen Tickell and then brief him at his next Chief Royal's Committee.

**Action: Corps Colonel**

39. **Field of Remembrance.** The President said he thought that either he or Maj Gen Dickinson should front-up the REA Plot at the TRBL Field of Remembrance the Thursday before Remembrance Sunday at Westminster Abbey. He asked Gen Dickinson if he would touch base with him to decide who would attend each year.

40. **Gibraltar Branch Weekend.** Barry Owens said he had recently attended the Gibraltar Branch Weekend and reported that there was concern within the Branch that no funding to support the event was available from HQ REA. He said the Branch had approached the REA for funding on a number of

occasions but none was forthcoming. The A/Controller said he had only been contacted once by the Branch President (Lt Col M Mogford MBE RE) for funds and he had advised the Branch that because the Gibraltar Weekend is a Branch event it was unlikely to gain any financial support from the Corps. The A/Controller continued by saying he was aware that many REA members travel to Gibraltar for this event and that they are full of praise for the way the Branch manages the weekend for which they were to be congratulated. Nevertheless, the event had, over the years, morphed into something larger and grander than was originally intended and subsequently, in order to reduce the costs to individuals, it was now in need of funding to support it. There was merit in bringing back some degree of ordinariness to the event and it might be wise to for the Branch to review the content of future events so that some of the more costly aspects of the weekend, such as donated services support costs, can be eliminated. He advised that although each UK regional Group had access to a REA Welfare Grant to support activities that benefitted the Group as a whole, the HQ & Overseas Group did not have an allocation. As an aside, he advised that the Grant was not to be used for Branch social events.

41. **Junior Leaders Branch Cairn.** The Corps Colonel advised members that the new Junior Leaders Branch Cairn was to be installed in the area adjacent to the WOs' & Sgts' Mess, Brompton Bks. The Branch has self-funded the replacement which was originally located on the site of Old Park Barracks, Dover.

42. **Farewells.** The President said that this was the last meeting for both Maj R Macgregor MBE TD VR – Scotland & NI Group and Mr B Owens – South East Group. He thanked them for their long and active participation in the affairs of the REA and the Corps.

#### ITEM 12. DATE OF NEXT MEETING

43. The proposed date of the next meeting will be early to mid-September 2016 in MOD Main Building. The exact location of meeting room will be advised nearer the date.



A/Controller REA

26 May 2016

Minutes Approved

Date

President



## Benevolence Report 68<sup>th</sup> Meeting of Council – 3 May 2016

1. **Trends 2015.** The charity continues to ensure that grants are made in a speedy, efficient and cost effective way. This was achieved, and grants, periodical allowances and Christmas benevolence gifts were made to 928 recipients, from whom many letters of appreciation have been received. The total numbers of benevolence cases considered in 2015 was 10% less than the previous year. The reason for this decrease is believed to be a diminishing elderly cohort that made up many of the claimants. The majority of cases continue to be processed by The Royal British Legion (TRBL) and SSAFA on behalf of the REA Benevolence Committee.

### 2. Benevolence Cases Considered 2015– 2011

<u>Category</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Disabled & Illness	175	202	185	192	329
Old age	71	63	52	118	84
Widows	86	78	110	138	132
Unemployed	118	137	152	210	144
Miscellaneous	149	171	187	285	268
Grants not made	51	68	51	23	12
Totals	650	719	737	966	969

Table 1

3. **Cost of Benevolence 2015.** The audited net cost of REA benevolence in 2015 made up of Grants, Christmas grants, weekly allowances and grants to other charities was £404,604 this figure does not include donated services support costs which amounted to £94,015 (£498,619 in total). This is similar to 2014 where the audited net cost of benevolence made up of Grants, Christmas grants, weekly allowances and grants to other charities was £405,911; this figure does not include donated services support costs of £70,380 (£476,291 in total).

4. **REA Branch Observers.** Observers are always most welcome to visit REA Benevolence meetings in London to see how the committee carries out the business of making financial grants on behalf of the Corps. The Chairman and Controller REA invite REA Branch observers to attend and participate with the aim of reporting back to their Branches on the breadth of cases that are considered and how we are able to help. We would hope that all REA Committee members would attend at least one meeting.

5. **Weekly Allowances 2015.** Regular weekly allowances were awarded to about 80 applicants and some have further assistance from the Army Benevolent Fund (ABF) where there is a need to financially assist with nursing home fees.

6. **Christmas Cards and Gifts 2015.** Approximately 1370 Christmas cards and some 336 monetary gifts were sent out in November to those in elderly people homes, in hospitals or homes for the mentally infirm, to those who are in receipt of weekly allowances and those being treated through Combat Stress.

7. **Grants to Other Charities 2015.** REA Council approved grants to other Service charities who are involved in the care and benevolent work for our Sappers and their families.

- A grant of £35,000 was made to the ABF
- A grant of £7,500 was made to SSAFA
- A grant of £2,500 was made to Combat Stress, The Ex-Services Mental Welfare Society.
- A grant of £3,000 was made to BLESMA.

## **CORPS UPDATE APRIL 2016**

### **8 Engineer Brigade**

#### **12 (Force Support) Engineer Group**

1. HQ 12 (FS) Engr Gp has hosted a two week construction camp for 12 Reservist personnel at RAF Wittering and is focussing on Force Generating a number of soldiers for upcoming operations and exercises.
2. 21 Engr Regt remains focussed on Project ANEMOI (construction task in the Falkland Islands) and preparing the Regt as it takes up its role in the new European Battle Group.
3. 32 Engr Regt's efforts have been on Force preparation for the Project ANEMOI deployment with 31 Fd Sqn completing its handover/ takeover with 1 Fd Sqn in the coming weeks.
4. 36 Engr Regt have parts of the unit deployed in Jordan and Kenya on three different types of exercises as well as soldiers deployed on operations in Nepal and Cyprus.
5. 39 Engr Regt's logistic specialists still continue to support Project ANEMOI. Sub-units continue to prepare for various deployments around the globe.
6. 71 Engr Regt held its annual Section Competition on Barry Budden Training Area. Preparations are underway for deployments to Cyprus and South Dakota in the coming months. Training weekends have focussed on intermediate combat engineer, driver and signals training and a number of Reserve soldiers have recently completed ceremonial duties, a Battlefield Study to Ypres and a climbing expedition in Spain.
7. 75 Engr Regt continue at pace conducting numerous Sqn and Regt weekends along with the continued training of Amphibious Engineers across in Minden, Germany for both Regular and Reserve soldiers. The Regt are currently the lead unit for a Plant concentration in Kenya on behalf of 12 (FS) Engr Gp. Additionally, soldiers are in Cyprus with 36 Engr Regt and the Amphibious Capability will deploy to Poland in June as part of a multinational exercise with the M3 Rig. The Regt has also managed to organise an AT Exped in Spain and Wales, take part in the Corps Skiing Championship and conduct a Battlefield Study to Gallipoli with another study being planned to Bosnia Herzegovina later this year. Finally, the Regt are currently planning for the Annual Deployment Event which will be in Gibraltar and are hoping to celebrate Sapper 300 by exercising the freedom of the Rock on behalf of the Corps.
8. R Mon RE (M) has conducted a regimental training camp at Penally Training Camp focussing on military skills. The Regt used the Army Engagement Team as an opportunity to raise the profile of Jersey Fd Sqn (M) by presenting to over 250 people.

#### **25 (Close Support) Engineer Group**

9. HQ 25 (CS) Engr Gp has been preparing to deploy on a large scale exercise. The Group HQs are also conducting the final stages of planning and coordination for the RE Games (8/9 Jun 16).
10. 22 Engr Regt RHQ continue to conduct validation exercises in order to assume their part in the UK's lead armed division. Elements of the Regt have deployed on exercise in Jordan and 3

## OFFICIAL

AES have now recovered from Canada. 5 AES are in their final stages of a preparation prior to a deploying to the Middle East in April.

11. 26 Engr Regt continue to be busy supplying manpower for the BATUS (Canada) season. Elements of 38 HQ & Sp Sqn remain deployed in Jordan on exercise, 33 AES are in Cyprus on a construction tour and 8 AES are in the final planning for their construction tour of Kenya.

12. 35 Engr Regt's RHQ and 29 AES has been conducting validation exercises prior to deploying to BATUS. 37 AES and 44 HQ & Sp Sqn has conducted low level training exercises on the local training areas and 77 AES has conducted a variety of exercises in preparation for their deployment to Canada later on in the year. The Regt has also competed strongly in the annual commando speed march, sent the regimental football team on tour to Los Angeles and the regimental dive team on a multi-national dive concentration in Canada.

### **29 (EOD & Search) Group**

13. HQ 29 EOD and Search Gp currently have vast numbers deployed supporting the various operations and exercises being conducted in the UK and around the world.

14. 1 MWD Regt have Short Term Training Teams (STTT) deployed in a variety of countries as well as 105 MWD Sqn deployed on exercise in Jordan.

15. 11 EOD Regt RLC continues to maintain its support to UK operations and other tasklines, and providing Ammunition Technical support in the UK and overseas. EOD teams are in preparation for deployment to Nigeria, BATUS and the Falkland Islands as well as various potential short-notice tasks around the world.

16. 33 Engr Regt (EOD) troops remain deployed in the Middle East conducting various training camps and exercises. The vast remainder of the Regt remain on standby for various tasks around the UK and the rest of the world.

17. 101 Engr Regt (EOD) is supporting the Middle East and continue to have soldiers held at readiness.

### **170 (Infrastructure Support) Engineer Group**

18. 20 Wks Gp has had 532 Specialist Team Royal Engineers (STRE) return from a successful tour of the Middle East with 529 STRE deploying to Cyprus. 534 STRE are continuing their support to RAF Marham.

19. 62 Wks Gp has delivered infra support across the broader Middle East area of operations and is in the process of returning to the UK.

20. 63 Wks Gp is delivering project management for Project ANEMOI, which is the rebuilding of the three radar head site on the Falkland Islands and BATUK (Kenya).

21. 64 Wks Gp has recovered from their exercise in Belize and are now focussing in compiling the reports from that deployment.

22. 66 Wks Gp has successfully deployed the HQ and a sub-unit on exercise in Jordan. 530 STRE continue to provide support to BATUK and Project ANEMOI.

## Specialist Units

23. 24 Cdo Engr Regt continues to support 3 Cdo Bde RM by holding a large number of officers and soldiers at readiness. 131 Cdo Sqn are now under command of 24 Cdo Engr Regt and continue to deploy personnel both to operations and to other elements alongside their regular counterparts. The Regt has deployed all around the globe including the USA (Alaska, N Carolina and California), Norway, Belgium, Belize, Borneo, the Caribbean, Mediterranean and various training locations both in and around the UK.

24. 23 Para Engr Regt continue to be extremely busy with 9 Para Sqn currently deployed in the Sinai Peninsula. The Regt has recently completed an exercise on Salisbury Plain Training Area and a Battlefield Study to Italy. In addition, elements of the Regt are committed to deploy, up to Sqn strength, to Weymouth, Poland and Kenya in the coming months.

## Future Activities & Events

25. The following notable activities are planned for the future:

- a. 8 – 9 June 16 – Royal Engineer Games, Perham Down.
- b. 18 Sep 16 – Corps Memorial Service, Rochester Castle.

26. **Sapper 300.** The Corps will celebrate the 300<sup>th</sup> anniversary of the Corps of Engineers in 2016 with a selection of activities throughout the year. Though some dates are still to be confirmed, listed below is a small selection of notable Sapper 300 events:

- a. 13 May 16 – Quadrangle football tournament, 1 RSME Regt.
- b. 20 May 16 – RE v RA cricket match, The Oval. Entry is free.
- c. 30 May 16 – Corps Football Teams v Upton Park FC, Upton Park.
- d. 30 Jun 16 – RE v RA 3 day cricket match, 1 RSME Regt.
- e. 6 Jul 16 – RE v RA boxing evening, Stamford Bridge. Ticket details TBC.
- f. 16 Jul 16 – Music Extravaganza, Rochester Cathedral. Tickets are on sale now. Contact Mary Downey in Corps Funds, telephone 01634 822998

27. **Sapper 300 unit open days.** A number of Royal Engineer units will host a number of Sapper 300 open days. These dates are as follows:

- a. 3/ 4 Jun 16 – 22 and 26 Engr Regts open day, Tidworth.
- b. 10 – 12 Jun 16 – 170 Engr Group open day, Chilwell.
- c. 2 Jul 16 – 75 Engr Regt open day, Warrington.
- d. 9 Jul 16 – R Mons open day, Monmouth.
- e. 23 – 25 Jul 16 – 101/ 33 EOD Regt open day, Wimbish.

## OFFICIAL

- f. 23 Jul 16 – 32 Engr Regt open day, Catterick.
- g. 30 Jul 16 – 35 Engr Regt open day, Paderborn, Germany.
- h. 30 – 31 Jul 16 – 23 Para Engr Regt open day, Colchester.
- i. 30 – 31 Jul 16 – 3 RSME Regt open day, Minley.
- j. 25 Aug 16 – 42 Engr Regt open day, Wyton.
- k. 15 Sep 16 – 12 Engr Gp open day, Wittering.

### General Points

28. **Royal Engineers website.** To find out more about what the Corps is up to and view electronic copies of the Sapper Magazine visit the RE pages inside the Army website using the link at the bottom of the page.

### Sports & AT

29. **Corps Sporting Fixtures.** A short list of Corps sporting fixtures, should personnel wish to drop into events to provide support, is below:

a. **Athletics:**

- (1) 18 May 16 – Army Individual Athletics Championship, Aldershot.
- (2) 25 May 16 – Army Inter-Corps Athletics Championship, Aldershot.

b. **Football:**

- (1) 16 – 20 May 16 – Quad Tournament, 1 RSME Regt.
- (2) REAFC Vs. Upton Park FC – 30 May 16: The REAFC have been invited to take part in the last ever football match to be played at the home of West Ham United Football Club, Upton Park, prior to its redevelopment. The day will feature three REAFC teams: The REAFC women's team (TBC), The REAFC men and a veteran's team, all being pitted against a variety of Upton Park Football Club teams (forerunners of West Ham United FC). The first match is due to kick off at 1300 hrs.

c. **Cricket:**

- (1) 19 May 16 – Inter-Services Tournament, Lords.
- (2) 20 May 16 – RE v RA 50 over cricket match, The Oval.
- (3) 12 Jun 16 – RE v Band of Brothers, 1 RSME Regt.
- (4) 15 Jun 16 – RE v AAC, 1 RSME Regt.
- (5) 30 Jun 16 – RE v RA 3 day game, 1 RSME Regt.

(6) 20 Jul 16 – RE v RMAS, Sandhurst.

30. **Corps Sports Results:** A short list of Corps sporting results are as follows:

a. **Rugby Union.** The Corps Rugby Union side lost a hotly contested Merit Cup Final fixture against the Royal Artillery.

b. **Winter Sports.** The Corps has excelled on the winter sporting front. The Corps Snowboard Team retained the Army Championship for a second year with 23 Para Engr Regt coming second in the Major Unit Championship. LCpl Gregory produced an outstanding performance at the Army Championships winning gold in all three disciplines: slope style, border cross and parallel giant slalom. The Royal Engineers Ski Team became the 2016 champions; the first time the Corps has won the Army Inter Corps Trophy. Twelve Royal Engineer Winter Ski athletes represented the Army at the 2016 Inter Services, representing a quarter of all Army athletes at the championships.

c. **Football:** 71 Engr Regt have reached the final of the Army Reserve Challenge Cup. A date for the final will be announced in the coming weeks.

d. **Shooting:** 71 Engr Regt have recently won the Force Troops Command Failing Plate Competition beating a Royal Artillery Reserve Unit in the final. In addition there were noticeable individual winners including: Champion Young Officer, RE Champion Rifle and RE Rifle Champion.

31. **Useful Links:**

a. Army Website (Royal Engineers): <http://www.army.mod.uk/royalengineers/26293.aspx#>

b. REA website: <http://www.reahq.org.uk>

c. REA Facebook: <https://www.facebook.com/pages/Royal-Engineers-Association>

d. RE Museum: <http://www.re-museum.co.uk/>

e. Institution of Royal Engineers: <http://www.instre.org/>

f. Sapper Shop: [www.sappershop.com](http://www.sappershop.com)

**Charity numbers: 258322 and SC041832**

## **The Royal Engineers Association**

**Trustees' report and financial statements**

**For the year ended 31 December 2015**

# **The Royal Engineers Association**

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## **The Royal Engineers Association**

### **Trustee's Report**

**For the year ending 31 December 2015**

The Trustees ("Council") present their annual report and the audited financial statements for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate and there are no material uncertainties.

### **Constitution**

The Royal Engineers Association ("the Association" or "REA") is established under authority of a Deed of Declaration of Trust dated 19 November 1968 hereafter referred to as 'The Deed'. The Deed is supplemented by the Rules of the Royal Engineers Association 2009, the current version of which was approved by Council on 17 September 2008.

### **Restrictions on Funds**

The Deed describes two Funds, A and B, which are restricted for the benevolence respectively of commissioned and of warrant officer and other rank members and past members of the Corps of Royal Engineers, together with their dependants. Both the A and B Funds were reduced to zero in 2015 and will not be re-used unless a specific grant is made in support of commissioned officers or OR members of the Corps. A further restricted fund, the Gabriel Fund, was established during 1997, following receipt of a legacy from the estate of the late Colonel R C Gabriel (see note 24 to the financial statements). The General Fund is not restricted. A further restricted fund, The Kitchener Scholarship, which was the subject to an administrative transfer on 31 December 2008, was accepted by the REA Trustees from The Institution of Royal Engineers at their meeting in May 2009 and is now administered through the REA Benevolence committee.

### **OBJECTIVES AND ACTIVITIES**

Objects of the Association, as set out in the Deed, are:

- (1) To promote the efficiency of the Corps in all or any of the following ways:
  - (a) by fostering Esprit de Corps and a spirit of comradeship amongst serving and former members of the Corps;
  - (b) to provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers and dependants who are in need;
  - (c) to make grants to the Army Benevolent Fund - The Soldiers Charity and to such other Charities as the Council think fit which further the objectives of the Association.

### **Volunteers**

REA branches are autonomous and are run democratically in accordance with the REA Rules 2009 by members who take on the stewardship and running of the branch voluntarily. The membership side of the Association would not exist without these dedicated REA volunteer members.

### **ACHIEVEMENTS AND PERFORMANCE**

The charity set out to ensure that grants are made in a speedy, efficient and cost effective way. This was achieved, and grants, periodical allowances and Christmas benevolence gifts were made to 928 recipients, from whom many letters of appreciation have been received. The total number of benevolence cases considered in 2015 was 10% less than the previous year. The reason for this decrease in submitted cases is unclear but it could be due, in part, to the success of the Armed Forces Covenant.

**The Royal Engineers Association  
Trustee's Report (continued)  
For the year ending 31 December 2015**

**Grants Considered in 2015**

Year	2015	2014	2013	2012	2011
Disabled & Illness	175	202	185	192	329
Old age	71	63	52	118	84
Widows	86	78	110	138	132
Unemployed	118	137	152	210	144
Miscellaneous	149	171	187	285	268
No grant made	51	68	51	23	12
<b>Totals</b>	<b>650</b>	<b>719</b>	<b>737</b>	<b>966</b>	<b>969</b>

**Delivery - Benevolence**

- Benevolence to those in need is considered of paramount importance. Applications for benevolence assistance are dealt with within two or three days after checks on service records and establishing financial need. All applications received from the Sapper family are considered sympathetically, the vast majority of applicants receive financial assistance.
- There will be many eligible persons in need of assistance of whom the Association is unsighted. The Chairman intends to commission a study to investigate how the Association might better reach those in need of benevolence but, as yet, unidentifiable within current system procedures.
- Cases requiring financial assistance greater than £500 (Controllers financial threshold) are referred to the REA Benevolence Committee that sits once per month (less August). There is no financial limit that the Committee can authorise for benevolence. The Committee also deals with applications for weekly allowances. Cases, having been in front of the Committee, are despatched within a week of the Committee sitting.
- Regular weekly allowances are made to about 80 applicants and some have further assistance from the Army Benevolent Fund (ABF) where there is a need to financially assist with nursing home fees.
- 1,370 Christmas cards and some 336 monetary gifts were sent out in November to those in elderly people homes, in hospitals or homes for the mentally infirm, to those who are in receipt of weekly allowances and those being treated through Combat Stress.
- A grant of £35,000 was made to the ABF for the work they do on behalf of the wider Services' benevolence systems.
- A grant of £7,500 was made to SSAFA Forces Help.
- A grant of £2,500 was made to Combat Stress, The Ex-Services Mental Welfare Society.
- A grant of £3,000 was made to BLESMA.

**Delivery - Membership**

- Applications for Membership are handled on the day of receipt with a service record check and issuing of a Membership Card.
- Meetings and reunions are held at numerous locations under arrangements of Groups and Branches.
- The REA Recruiting Committee sits when needed to consider the wider marketing of the Association and Public Relation issues and initiatives.
- The Corps Colonel speaks to all command courses to inform them of the activities of the REA.

**Assistance**

The Association acknowledges with gratitude the assistance provided by the caseworkers of SSAFA, TRBL and REA branches for their contribution to the benevolence system.

**Fundraising activities**

In 2002 the Trustees considered whether fund raising activities should be undertaken and, other than an information campaign to the serving officers and soldiers of the merits of the Day's Pay Scheme, the Trustees decided that no further fund raising activity should be undertaken. There has been no change to this decision.

**The Royal Engineers Association  
Trustee's Report (continued)  
For the year ending 31 December 2015**

**REA Branch Accounts**

In March 2004 Trustees were informed by their auditor that SORP 2000 required them to include the income, expenditure, assets and liabilities of those REA Branches that did not have separate legal status in their annual charity account, if material. Subsequent legal advice confirmed that the current REA Branches do not have separate legal status and that the extant Rules of the REA did not require Branches to furnish this information to HQ REA. Trustees have changed the Rules of the REA and directed REA Branches to provide this financial information to HQ REA by 31 January each year. The funds associated with these branches are designated.

**Activities in Scotland**

The Association has nine active branches in Scotland under the control of the Scotland & Northern Ireland Group Headquarters based at RAF Leuchars, Fife. Because of this presence in Scotland the Association is registered with the Scottish Charity Regulator. As with the remaining UK and overseas branches, those branches based in Scotland do not carry out fundraising, but aim to promote and support the Corps in accordance with the Objects of the Association.

**2015 FINANCIAL REVIEW**

Serving RE officers, warrant officers and soldiers subscribe to the Royal Engineers Central Charitable Trust under the Army's 'Days Pay Scheme'. After the Institution of Royal Engineers has received a set percentage of officer and soldier subscriptions the Association receives 50% of the monies received from the Days Pay Scheme. Any shortfall of income compared to expenditure comes from investment income. Donations and legacies that are retained are available for investment towards future benevolence.

**Summary**

Net incoming resources before other recognised gains and losses were £339,006 (2014 - incoming £214,774). The Charity passed £250,000 to the Fund Manager for investment in 2015.

**Balance Sheet**

The accumulated funds increased by £497,300 to £11,298,863 (2014 increased by £486,433 to £10,801,663). Notes to the Statement of Financial Activities and Balance Sheet provide supplementary information against each funding activity.

Expenditure on benevolence grants to individuals decreased from £265,962 in 2014 to £263,806. Christmas grants decreased by £667 to £17,008 in 2015 and weekly allowances increased from £74,274 in 2014 to £86,624 in 2015.

**Investment house**

In June 2002 the Trustees accepted a recommendation made by the Royal Engineers Investment Committee to leave Schroders Investment Managers and join the Army Common Investment Fund (ACIF), which was launched on 2 September 2002 and is managed by BlackRock Investment Managers. The ACIF was established to provide Armed Forces charities with a professional investment management and administration service. The Fund has an independent Advisory Board, comprising representatives of participating charities and senior city business executives appointed by the Army Board. During 2007 the ACIF changed its name to the Armed Forces Common Investment Fund ("AFCIF").

**Investment policy**

The independent Advisory Board set the investment policy for the ACIF. This was reviewed by the Royal Engineers Investment Committee in May 2002 and subsequently approved by Trustees in June 2002. In 2011 the Advisory Board conducted a strategic review and examined: investment performance, portfolio construction and the benchmark. Trustees considered and supported the new investment recommendations on 7 December 2011. The Objective of the Fund is unchanged and seeks to achieve real growth in capital and income over the long term by investment predominately in equities.

**The Royal Engineers Association  
Trustee's Report (continued)  
For the year ending 31 December 2015**

**Investment performance**

Investments delivered dividends of £389,564 in 2015 (2014 - £378,040). During the period 1 January to 31 December 2015, the performance of the distribution units in the Fund was +5.2% (2014 - +6.9%) after fees and expenses. Since launch the fund has produced a return of +80.7%, +16% (2014 - +78.8%, +7.9%) ahead of its investment benchmark.

**Risk statement**

The Trustees review risks to which the Charity is exposed at each of their meetings. The basis of the review is a Risk Management Matrix that identifies and defines the risk, its impact and likelihood, and those mitigation measures the Trustees feel need to be applied. The Risk Management Matrix was reviewed at the Council meeting in September 2015 and Trustees were content that systems have been established to mitigate those risks identified.

**Reserves**

The account posts net incoming resources of £334,472 (2014 - incoming £214,774) before realised and unrealised gains. Gains on investments amounted to £158,194 (2014 - gains of £271,659) giving a positive net movement in funds of £492,665 (2014 - £486,433). It is the Trustees policy to withdraw capital from the Designated and Restricted Fund's investment portfolios in order to maximise grant making. The Trustees are also prepared to draw on the capital of the Unrestricted General fund when necessary. The general fund acts as a reserve to meet both projected needs and the demands for the 'unexpected'. This latter contingency, however difficult to assess, must feature, as a matter of prudence, in the central charitable fund supporting army benevolence. The Trustees therefore keep the level of the Fund's reserves under constant review. There are a number of factors which affect their opinion on the adequacy or otherwise of the level of reserves at any one time, for example, previous periods of volatile stock market fluctuations. In addition the military situation both in the Middle East and elsewhere overseas could have a significant impact on the Fund, both in terms of a possible growth in the number of potential beneficiaries and in the climate for public donations.

**Public Benefit**

The REA Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake. This fund provides public benefit by assisting service personnel to more effectively perform their role within the Corps of Royal Engineers and assisting those of the wider family of the Corps (those who have left uniform). Where there is "need" the fund helps those who have fallen on hard times like debt, family separation, mobility aids for the infirm (such as stair lifts and electric powered scooters and wheelchairs) and walk-in showers at home where the applicant is unable to use a bath safely. In addition the Fund has helped some of our serving Sappers where there is a "need", for example orthopaedic beds for those injured on active service as the direct result of enemy action.

**PLANS FOR THE FUTURE**

The Trustees of the REA have set objectives over the coming years to continue assisting those who have fallen on hard times and in need of financial assistance. In addition the Trustees will continue to promote the Corps of Royal Engineers throughout the ranks of the serving Sapper, the retired REA membership and through Groups and Branches. A 5 year strategic review has been implemented by the Board to provide assurance that the Charity continues to be relevant in its approach to the delivery of benevolence.

The RE Days Pay Scheme contributions, which constitute the REA's main source of annual income, are being further enhanced by the introduction of the RE Reservist Days Pay Scheme. Trustees continue to monitor any decrease in subscriptions and the impact this may have on meeting REA objectives and, if necessary, reconsider their extant policy not to pursue active fundraising.

**Auditors**

A Tender Board will be held in early 2016 to select the charity's auditor for FY 2016 with a resolution to appoint them made at the following Chief Royal Engineer's Meeting.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The REA is governed by the Deeds of Trust dated 19 November 1968 supplemented by the Rules of the Royal Engineers Association 2009.

### **Trustees**

The Trustees who served during the year 2015 are detailed on page 6.

There are three ex officio members of the REA Council (all Senior Serving Officers of the Corps of Royal Engineers), five nominated members, 3 retired Officers, 1 Officer of the Reserve Army and the Corps RSM. An Honorary Treasurer is appointed and confirmed in his appointment each year.

In addition there are eleven elected representatives of each Group of the Association who are initially appointed to serve for a period of 3 years; all are Trustees. A twelfth group, the HQ and Overseas Group, does not warrant an elected representative; the Corps Colonel, an ex officio Trustee, represents this Group.

Trustee training and induction is carried out for each new Trustee.

### **Indemnity**

An order from the Charity Commission authorising the trustees to provide indemnity insurance for themselves out of the charity funds was issued on 15 September 2001 and has been complied with.

### **Organisational structure and networks**

The Association is directed by its Council, constituted as described in the Deed, and consisting of ex-officio, nominated and elected members. Its members are the Trustees of the Association's funds. Council meets as often as is necessary to fulfil its responsibilities, normally twice a year.

Certain routine business of a non-financial nature is delegated to the Management Committee, which meets twice a year. A benevolence committee meets monthly (except in August) to consider the more complicated applications for assistance and those requiring sums beyond the Controller's authorised powers.

A finance committee deals with particular matters and is responsible to Council.

The REA is divided into 12 geographical Groups throughout the UK and overseas. Each group has a Group Director who is appointed by the Corps Colonel and, in most cases, the Group Director is the senior serving Royal Engineer officer in the Group area. Within these Groups are 104 Branches. Of these, 94 Branches are located in towns and cities in the UK and overseas who normally meet up once a month for camaraderie and Esprit de Corps. The remaining 10 Branches are National Branches who represent specialist trades/functions with affiliated members throughout the UK and overseas; they will normally meet up once a year. All Branches are self-financing and have the same objectives as those of the Association.

The Headquarters or Secretariat of the Association is managed by the Controller who oversees all activities with particular emphasis on benevolence. He is supported by a Deputy Controller who works part time and deals primarily with administration, Esprit de Corps and membership matters. There are four other full time administrative and clerical staff. The Controller and two of the Secretariat staff are established and paid as Civil Servants within the Regimental Headquarters of the Royal Engineers. The Deputy Controller and two full time members of staff are employed solely by the Association.

The Controller of the REA left in September 2015 and a suitable replacement has yet to be recruited. The responsibilities of the Controller and the day to day management of the REA have been taken on by the Deputy Controller working full time as opposed to part time; the Association funds these extra hours.

**The Royal Engineers Association  
Reference and administrative details of the charity, its trustees and advisers  
For the year ended 31 December 2015**

**Trustees ("Council")**

Lieutenant General Sir Mark Mans KCB CBE DL	President	
Major General C J Boag CB CBE	Chairman	Retired July 2015
Major General A S Dickinson CBE	Chairman	Appointed July 2015
Brigadier AS Craig OBE	Deputy Chairman	
Brigadier DW Southall OBE	Commandant RSME	
Colonel C Davies MBE	Honorary Treasurer	
Colonel C N R Skeat	Corps Colonel	Retired August 2015
Colonel DLD Bigger ADC	Corps Colonel	Appointed August 2015
Colonel DM Gill MBE	Retired Officer	
Lieutenant Colonel RW Murfin TD DL	Army Reserve Officer	
WO1 (Corps RSM) P Marsh	Corps RSM	Tenure expired September 2015
WO1 (Corps RSM) C McLennan	Corps RSM	Appointed September 2015
Mr M Riley BEM	London Group	
Mr B Owens	South East Group	
Lieutenant Colonel A Bunting	Central Southern Group	
Major P Gill MBE JP	South West Group	
Mr J Walsh	South Wales Group	
Mr T Mitchley	East Anglia Group	
Mr K Green	South Midlands Group	
Mr R Price	North Midlands Group	
Mr W P Halloran	North East Group	
Mr B Hayes	North West Group	Retired July 2015
Vacant	North West Group	
Major R MacGregor MBE TD VR	Scotland & Northern Ireland Group	

**Charity registered numbers**

258322 and SC041832

**Principal office**

Regimental Headquarters Royal Engineers  
Brompton Barracks  
Chatham  
Kent  
ME4 4UG

**Independent auditor**

Kreston Reeves LLP  
Chartered Accountants  
Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent  
ME4 4QU

**Bankers**

Lloyds plc  
Piccadilly Branch  
PO Box 1000  
BX1 1LT



**The Royal Engineers Association**

**Reference and administrative details of the charity, its trustees and advisers (continued)  
For the year ended 31 December 2015**

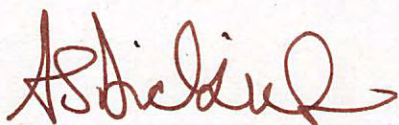
**Solicitors**

Brachers  
Somerfield House  
59 London Road  
Maidstone  
Kent  
ME16 8JH

**Investment managers**

BlackRock Investment Managers  
12 Throgmorton Avenue  
London  
EC2N 2DL

Approved by the Trustees  
and signed on behalf of the Trustees

A handwritten signature in red ink, appearing to read 'A S Dickinson', with a stylized flourish at the end.

**Major General A S Dickinson CBE  
Chairman**

## **The Royal Engineers Association**

### **Independent auditor's report to the Trustees of the Royal Engineers Association**

We have audited the financial statements of The Royal Engineers Association for the year ended 31 December 2015 set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 145 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper and sufficient accounting records have not been kept; 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.



**The Royal Engineers Association**

**Independent auditor's report to the Trustees of the Royal Engineers Association (continued)**

*Kreston Reeves LLP*

**Kreston Reeves LLP**

Chartered Accountants  
Registered Auditors  
Chatham Maritime

Date:

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**The Royal Engineers Association**

**Statement of financial activities  
For the year ended 31 December 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Income and endowments from:</b>					
Donations & Legacies	2	702,139	-	702,139	582,650
Other trading activities	8	166,914	-	166,914	161,486
Investment income	9	377,907	18,155	396,062	379,650
Other incoming resources	10	18,283	-	18,283	12,283
<b>Total income</b>		<b>1,265,243</b>	<b>18,155</b>	<b>1,283,398</b>	<b>1,136,069</b>
<b>Expenditure on:</b>					
Raising Funds	11	2,173	-	2,173	3,479
Charitable activities	12	574,780	367,438	942,218	917,817
<b>Total expenditure</b>		<b>576,953</b>	<b>367,438</b>	<b>944,392</b>	<b>921,296</b>
Net gains/(losses) on investments	18	151,016	7,178	158,194	271,659
<b>Net income/(expenditure)</b>		<b>839,306</b>	<b>(342,105)</b>	<b>497,200</b>	<b>486,433</b>
Transfers between Funds	21	(250,507)	250,506	-	-
<b>Net movement in funds for year</b>		<b>588,799</b>	<b>(91,599)</b>	<b>497,200</b>	<b>486,433</b>
<b>Reconcillation of finds</b>					
Total funds at 1 January 2015		10,185,721	615,942	10,801,663	10,315,230
<b>Total funds at 31 December 2015</b>		<b>10,774,520</b>	<b>524,343</b>	<b>11,298,863</b>	<b>10,801,663</b>

All activities relate to continuing operations.

The notes on pages 13 to 22 form part of these financial statements

The Royal Engineers Association

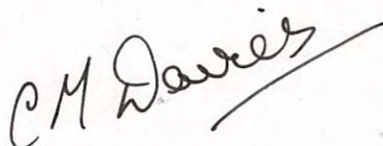
Balance sheet  
As at 31 December 2015

	Note	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	17		82,591		91,186
Investments	18		<u>10,048,932</u>		<u>9,875,408</u>
			<b>10,131,523</b>		<b>9,966,594</b>
<b>Current assets</b>					
Debtors	19	125,344		161,488	
Cash at bank and in hand		<u>1,062,851</u>		<u>694,160</u>	
		<b>1,188,195</b>		<b>855,648</b>	
<b>Creditors:</b> amounts falling due within one year	20	<u>(20,855)</u>		<u>(20,579)</u>	
<b>Net current assets</b>			<u><b>1,167,340</b></u>		<u><b>835,069</b></u>
<b>Net assets</b>			<u><b>11,298,863</b></u>		<u><b>10,801,663</b></u>
<b>Charity Funds</b>					
Restricted funds	21		537,750		629,349
Unrestricted funds	21		<u>10,761,113</u>		<u>10,172,314</u>
<b>Total funds</b>			<u><b>11,298,863</b></u>		<u><b>10,801,663</b></u>

The financial statements were approved by the Trustees on 3/5/16 and signed on their behalf, by:



Major General AS Dickinson CBE,  
Chairman



Colonel C Davies MBE,  
Honorary Treasurer

The notes on pages 13 to 22 form part of these financial statements

**The Royal Engineers Association**

**Statement of Cash Flows**

**For the year ended 31 December 2015**

	Note	2015	2014
		£	£
<b>Net cash used in operating activities</b>	26	<u>(98,040)</u>	<u>(124,811)</u>
<b>Cash flows from investing activities</b>			
Interest and dividends	9	396,062	379,651
Purchase of tangible fixed assets	17	(3,541)	(868)
Donated tangible fixed assets		-	-
Proceeds from sale of investments		-	-
<b>Cash provided by (used in) investing activities</b>		<u>392,521</u>	<u>378,783</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowing		-	-
<b>Cash used in financing activities</b>		<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents in the year		<u>368,691</u>	<u>3,972</u>
Cash and cash equivalents at the beginning of the year		694,160	690,188
<b>Total cash and cash equivalents at the end of the year</b>		<u>1,062,851</u>	<u>694,160</u>

## **The Royal Engineers Association**

### **Notes to the financial statements For the year ended 31 December 2015**

#### **1 Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102). - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Royal Engineers Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 the restatement of comparative items was required.

##### **1.3 Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

##### **1.4 Fund Accounting**

General unrestricted funds represent unrestricted income of subscriptions, donations and legacies which is expendable at the discretion of the Council in the furtherance of the objects of the Association. Such funds may be held in order to finance both working capital and capital investment.

Designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees to meet specific purposes.

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purpose. These are Gabriel, Kitchener Scholarship, funds which are explained in detail on page 3 in the Trustees' report.

Investment income, gains and losses are allocated to the appropriate fund.

##### **1.5 Incoming resources**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

###### **Subscriptions**

Serving officers, warrant officers and soldiers subscribe to the Royal Engineers Central Charitable Trust under the Army's Day's Pay Scheme. The Association received 50% of the monies received from the Day's Pay Scheme.

###### **Donations**

Donations are included in full in the income and expenditure accounts on a receipts basis. Gift Aid donations are included in the income and expenditure account on a receivable basis.

## **The Royal Engineers Association**

### **Notes to the financial statements For the year ended 31 December 2015**

#### **Accounting policies (continued)**

##### **1.6 Resources expended**

Liabilities are recognised as resources expended as soon as there is an obligation to committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the trust are always authorised by trustees.

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 13.

The cost of generating funds consists of investment, management and certain legal fees.

##### **1.7 Tangible fixed assets and depreciation**

REA assets, including those purchases by Branches, costing more than £250 are capitalised. Depreciation is charged on assets using a straight line basis over their estimated life on the following basis:

Fixtures and fittings	10% per annum
General property	10% per annum
Computer equipment	20% per annum

REA Branch Standards are capitalised and maintained at their expected replacement value, £650.

##### **1.8 Investments**

Investments are included in the financial statements at the mid market value of the units held by the Royal Engineers Association in the Armed Forces Common Investment Fund.

##### **1.9 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

##### **1.10 Donated services and facilities**

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. This amount is matched by intangible expenditure.

##### **1.11 Tender policy**

Trustees introduced a tender policy that covers expenditure:

- a. Between £2.5k and £5k
- b. Between £5k and £10k
- c. Over £10k

**The Royal Engineers Association**

**Notes to the financial statements**

**For the year ended 31 December 2015**

	Unrestricted funds 2015	Restricted funds 2015	Total funds 2015	Total funds 2014
	£	£	£	£
<b>2 Voluntary income</b>				
Donations (Note 3)	85,457	-	85,457	84,099
Legacies (Note 4)	108,503	-	108,503	200
Grants (Note 5)	2,500	-	2,500	2,500
Subscriptions (Note 6)	409,067	-	409,067	416,898
Donated services and facilities (Note 7)	96,612	-	96,612	78,953
	<b>702,139</b>	<b>-</b>	<b>702,139</b>	<b>582,650</b>

In 2015 all £702,139 of income from donations and legacies was unrestricted (2014: £582,650)

	£	£	£	£
<b>3 Donations</b>				
General donations	78,660	-	78,660	82,168
Donations from branches	2,246	-	2,246	498
Tax refund	684	-	684	15
Website donations	3,867	-	3,867	1,418
	<b>85,457</b>	<b>-</b>	<b>85,457</b>	<b>84,099</b>

	£	£	£	£
<b>4 Legacies</b>				
Other legacies	108,503	-	108,503	200
	<b>108,503</b>	<b>-</b>	<b>108,503</b>	<b>200</b>

	£	£	£	£
<b>5 Grants</b>				
H&M Charitable Trust	2,500	-	2,500	2,500

	£	£	£	£
<b>6 Subscriptions and tax</b>				
Membership	22,557	-	22,557	22,101
Grant from RECCT (represents 50% of Day's Pay Scheme subscriptions to RECCT)	386,510	-	386,510	394,787
	<b>409,067</b>	<b>-</b>	<b>409,067</b>	<b>416,888</b>

**The Royal Engineers Association**

**Notes to the financial statements  
For the year ended 31 December 2015**

	Unrestricted funds 2015	Restricted funds 2015	Total funds 2015	Total funds 2014
	£	£	£	£
<b>7 Donated services and facilities</b>				
Gas	1,661	-	1,661	1,644
Electricity	1,955	-	1,955	1,933
Water and sewage	794	-	794	786
Community charge	5,147	-	5,147	5,147
Utilities	1,355	-	1,355	1,343
MOD salaries	52,000	-	52,000	36,000
Administration salaries	33,700	-	33,700	32,100
<b>Total</b>	<b>96,612</b>	<b>-</b>	<b>96,612</b>	<b>78,953</b>

**8 Other trading activities**

	£	£	£	£
Esprit de Corps income	<b>166,914</b>	<b>-</b>	<b>166,914</b>	<b>161,486</b>

REA Branches generated £231,487 (2014 - £161,486) from activities.

**9 Investment income**

	£	£	£	£
Dividends – AFCIF	376,215	17,883	394,098	378,040
Bank interest	1,692	272	1,964	1,611
<b>Total</b>	<b>377,907</b>	<b>18,155</b>	<b>396,062</b>	<b>379,651</b>

Total income from investments for 2015 was £396,062 (2014: 379,651) of which £377,907 was unrestricted (2014: £362,063) and £18,155 was restricted (2014: £17,588).

**10 Other incoming resources**

	£	£	£	£
Sundry income	18,283	-	18,283	12,283
<b>Total</b>	<b>18,283</b>	<b>-</b>	<b>18,283</b>	<b>12,283</b>

In 2015 all £18,283 of other income was unrestricted (2014: £12,283).

**11 Raising Funds**

	£	£	£	£
Recruiting (inc postage)	2,173	-	2,173	3,479

In 2015 all £2,173 of expenditure on raising funds was unrestricted (2014: £3,479).



The Royal Engineers Association

Notes to the financial statements

For the year ended 31 December 2015

12 Analysis of resources expended by activities

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Benevolence (Note 13)	404,604	94,015	498,619	490,466
Esprit de Corps (Note 14)	294,067	149,532	443,599	427,351
	<b>698,671</b>	<b>243,547</b>	<b>942,218</b>	<b>917,817</b>

Expenditure on charitable activities was £942,218 (2014 - £917,817) of which £574,780 was unrestricted (2014 - £574,458) and £367,438 was restricted (2014: £343,359).

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>13 Benevolence grants and allowances</b>				
<b>Activities undertaken directly</b>				
Grants	-	263,806	263,806	265,962
Christmas grants	-	17,008	17,008	17,675
Weekly allowances	-	86,624	86,624	74,274
Army Benevolent Fund	35,000	-	35,000	35,000
SSAFA Families Help	7,500	-	7,500	7,500
Other charities	5,500	-	5,500	5,500
Refund Grants previous years	(10,834)	-	(10,834)	(11,073)
	<b>37,166</b>	<b>367,438</b>	<b>404,604</b>	<b>394,838</b>
<b>Support Costs</b>				
Cttee & Travel costs	1,423	-	1,423	2,599
Audit	3,568	-	3,568	3,546
Fees & Subs	352	-	352	1,266
Insurance	2,136	-	2,136	2,161
Administration	1,232	-	1,232	3,016
Post & Telephone	2,265	-	2,265	1,410
Depreciation	538	-	538	-
Donated services support costs	19,556	-	19,556	20,357
Donated services MOD salaries	39,000	-	39,000	36,000
Staff costs	23,945	-	23,945	25,273
	<b>94,015</b>	<b>-</b>	<b>94,015</b>	<b>95,628</b>
	<b>131,181</b>	<b>367,438</b>	<b>498,619</b>	<b>490,466</b>

**The Royal Engineers Association**

**Notes to the financial statements  
For the year ended 31 December 2015**

	Unrestricted funds 2015	Restricted funds 2015	Total funds 2015	Total funds 2014
	£	£	£	£
<b>14 Esprit de Corps</b>				
<b>Activities undertaken directly</b>				
Corps activities	47,481	-	47,481	40,468
Branch donations	19,246	-	19,246	36,986
Branch activities	218,759	-	218,759	201,357
Annual Conference	4,018	-	4,018	3,444
Annual dinner	4,563	-	4,563	5,362
	<b>294,067</b>	<b>-</b>	<b>294,067</b>	<b>287,617</b>
<b>Support Costs</b>				
Cttee & Travel	5,692		5,692	4,980
Audit	3,568		3,568	3,546
Fees & Subs	352		352	1,266
Insurance	2,136		2,136	2,161
Administration	1,920		1,920	3,489
Post & telephone	2,265		2,265	3,289
Depreciation	10,227		10,227	10,910
Donated services support costs	25,056	-	25,056	21,477
Staff costs	85,316	-	85,316	88,616
MOD Salaries	13,000		-	
	<b>149,532</b>	<b>-</b>	<b>149,532</b>	<b>139,734</b>
	<b>443,599</b>	<b>-</b>	<b>443,599</b>	<b>427,351</b>

**15 Net incoming resources / (resources expended)**

This is stated after charging:

Depreciation of tangible fixed assets:

- owned by the charity

Auditor's remuneration

£

£

10,765

10,910

7,135

7,062

During the year, no Trustees received any remuneration (2014 - £NIL).

During the year, no Trustees received any benefits in kind (2014 - £NIL).

6 Trustees received reimbursement of expenses amounting to £1,529 in the current year, (2014, 11 Trustees - £1,698)

**The Royal Engineers Association**

**Notes to the financial statements  
For the year ended 31 December 2015**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>16 Staff costs</b>		
Staff costs were as follows:		
Wages and salaries	96,344	100,372
Social security costs	5,761	7,068
Other pension costs	7,156	6,449
	<b>109,261</b>	<b>113,889</b>

	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the year was as follows:		
Management and administration of the charity	6	6

No employee received remuneration amounting to more than £60,000 in either year.  
The total employment benefits including employer pension contributions of the key management personnel were £33,116 (2014 - £43,454).

**17 Tangible fixed assets**

	<b>Unrestricted Designated Fixtures &amp; fittings £</b>	<b>Unrestricted General Property £</b>	<b>Unrestricted General Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2015	78,991	98,711	7,885	185,587
Additions	-	3,541	-	3,541
Disposals	-	-	-	-
At 31 December 2015	<b>78,991</b>	<b>102,252</b>	<b>7,885</b>	<b>189,128</b>
<b>Depreciation</b>				
At 1 January 2015	8,538	78,822	7,041	94,401
Charge for the year	-	10,417	348	10,765
On disposal	1,371	-	-	1,371
At 31 December 2015	<b>9,909</b>	<b>89,239</b>	<b>7,389</b>	<b>106,537</b>
<b>Net book value</b>				
At 31 December 2015	<b>69,082</b>	<b>13,013</b>	<b>496</b>	<b>82,591</b>
At 31 December 2014	<b>70,453</b>	<b>19,889</b>	<b>844</b>	<b>91,186</b>

**The Royal Engineers Association**

**Notes to the financial statements  
For the year ended 31 December 2015**

**18 Fixed asset investments**

	Listed securities £	Branch Investments £	Total £
<b>Market value</b>			
At 1 January 2015	9,857,993	17,415	9,875,408
Purchased		-	-
Revaluations	158,194	-	158,194
Movement on branch investments	-	15,330	15,330
At 31 December 2015	<u>10,016,187</u>	<u>32,745</u>	<u>10,048,932</u>
<b>Historical cost</b>	<u>5,978,974</u>	<u>22,450</u>	<u>6,001,424</u>

**Investments at market value comprise:**

	2,015 £	2,014 £
Listed investments	10,016,187	9,336,333
Branch investments	32,745	25,300
Total market value	<u>10,048,932</u>	<u>9,361,633</u>

**Material investments**

All invested funds were held in the Armed Forces Common Investment Fund, managed by BlackRock Investment Managers Limited.

**19 Debtors**

	2015 £	2014 £
Branch debtors	446	1,361
Other debtors	100,626	97,796
Prepayments and accrued income	24,272	62,331
	<u>125,344</u>	<u>161,488</u>

**20 Creditors:**

**Amounts falling due within one year**

	£	£
Branch creditors	3,556	4,724
Other creditors	7,819	7,167
Accruals and deferred income	9,480	8,688
	<u>20,855</u>	<u>20,579</u>

The Royal Engineers Association

Notes to the financial statements  
For the year ended 31 December 2015

21 Statement of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Branch funds	359,377	269,740	(238,005)	-	-	391,112
<b>General funds</b>						
General funds	9,812,937	995,501	(338,946)	(250,507)	151,016	10,370,001
Total Unrestricted funds	10,172,314	1,265,241	(576,951)	(250,507)	151,016	10,761,113
<b>Restricted funds</b>						
A Fund	1,680	-	(7,846)	6,166	-	-
B Fund	115,252	-	(359,592)	244,340	-	-
Gabriel Fund	7,621	31	-	-	-	7,652
Kitchener Scholarship Fund	504,796	18,124	-	-	7,178	530,098
Total Restricted Funds	629,349	18,155	(367,438)	250,506	7,178	537,750
Total of funds	10,801,662	1,283,396	(944,389)	-	158,194	11,298,863

22 Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	82,591	-	82,591	91,186
Fixed asset investments	9,594,438	454,494	10,048,932	9,875,408
Current assets	1,135,122	53,073	1,188,195	855,648
Creditors due within one year	(20,855)	-	(20,855)	(20,579)
	10,791,296	507,567	11,298,863	10,801,663

23 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £7,156 (2014 - £6,449).

## The Royal Engineers Association

### Notes to the financial statements

For the year ended 31 December 2015

#### 24 The Gabriel Fund

In 1966 a legacy of £25,000 was received from the estate of Colonel RC Gabriel. No restriction was placed on these funds at the time, hence, it was included in the General Fund at 31 December 1966.

During 1997 the Association applied for, and was granted a further legacy of £20,000 from the estate of Colonel RC Gabriel. In accordance with the conditions of the additional legacy a restricted fund has been established for the purpose of providing retraining, further education and contributing towards the costs of obtaining a qualification and / or licence to work for those who are serving or have served as officers and soldiers of the Royal Engineers. A further £5,000 was received in 1998.

The original legacy was transferred to the restricted fund at 31 December 1997 since the restrictions are considered to apply to all the funds from the estate of Colonel RC Gabriel.

#### 25 Related party transactions

All transactions with related parties are disclosed in the Trustees Report and notes to the accounts.

#### 26 Reconciliation of net movement in funds to net cash flow from operating activities.

	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>497,200</b>	486,433
Add back depreciation charge	<b>10,765</b>	10,910
Deduct interest income shown in investing activities	<b>(396,062)</b>	(379,651)
Deduct gains / add back losses on investments	<b>(173,524)</b>	(263,775)
Decrease (increase) in debtors	<b>(36,144)</b>	22,956
Increase (decrease) in creditors	<b>(276)</b>	(1,684)
<b>Net cash used in operating activities</b>	<b>(98,040)</b>	<b>(124,811)</b>