

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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Controller REA
Corps Treasurer

02 June 2014

THE MINUTES OF 64th MEETING OF ROYAL ENGINEERS ASSOCIATION COUNCIL HELD IN MEETING ROOM 052MR05 IN MAIN BUILDING, MOD WHITEHALL, LONDON, ON TUESDAY 13th MAY 2014

PRESENT

Maj Gen C J Boag CB CBE
Brig D W Southall OBE
Brig A S Craig OBE
Col D M Gill MBE
Lt Col R W Murfin TD DL
Mr M G Riley BEM
Mr B Owens
Lt Col A J Bunting
Mr K Green
Mr W P Halloran
Mr R B Hayes
Mr R Price
Maj R C A Macgregor MBE TD

Chairman
Comd RSME
Deputy Chairman
Retired Officer (*amended entry-25 June 2014*)
Reserve Army
London Group
South East Group
Central Southern Group
South Midlands Group
North East Group
North West Group
North Midlands Group
Scotland & NI Group

IN ATTENDANCE

Lt Col (Retd) N Jordan
Maj I Sidebottom

D Con REA and Secretary
Corps Treasurer

APOLOGIES

Lt Gen Sir Mark Mans KCB CBE DL
Col R M R Hunt
WO1 (CRSM) P E Marsh
Lt Col N Parmley
Mr M J Barry MM
Mr G H Walsh

President REA
Hon Treasurer
Corps RSM
Member for South West Group
Member for East Anglia Group
Member for South Wales Group

1. The Chairman opened the meeting and welcomed those present especially those who had come from afar.
2. The Chairman noted that apologies had been received from those listed above. He welcomed the following new member to the Committee for whom it was his first meeting:

Mr Michael Riley BEM

Member for London Group

ITEM 1 - TO CONFIRM THE MINUTES OF THE 63rd MEETING

3. Council accepted that the Minutes of the 63rd Meeting were a true record of the proceedings. The Chairman signed the Minutes.

ITEM 2 - MATTERS ARISING FROM THE 63rd MEETING

4. Item 5 – Paragraph 17. The Corps Col agreed to provide a simplified wiring diagram of the Corps 2020 structure for distribution to Branch level. The diagram was published in the report on Corps Affairs to the Jan 2014 Management meeting and published in the Minutes. NFA.
5. Item 9 – Paragraph 34. The Corps Col and D Con agreed to request assistance from Comd 170 (Infra Sp) Engr Gp in the provision of a Group Secretariat for the North Midlands Group. Assistance was provided. NFA.
6. Item 10 – Paragraph 37. Mr M J Barry MM (E Anglia Gp) agreed to liaise with the Group Director, Group Secretary and Group Branches in order to reach a mutually agreed solution over the location of a new Group Secretariat. A new location was agreed. NFA.

ITEM 3 – TO NOTE THE PROCEEDINGS OF THE 120th MEETING OF THE MANAGEMENT COMMITTEE

7. The Chairman advised members that Paragraph 34 of the Management Committee Minutes recommended to Council revised annual grants to the Chatham and Minley Veterans' Weekends. An overspend of £3.5K on Serial 15 (Corps Activities) was authorised by the REA Finance Committee and is recommended to Council by them. Council endorsed the overspend.

ITEM 4 – TO NOTE THE REPORT OF THE BENEVOLENCE COMMITTEE

8. Brig Craig, the Chairman of the Benevolence Committee, presented the Benevolence Report for the 12 month period ending 31st December 2013. The report is at **Annex A**.
9. He commented on the significant drop in cases being presented to the REA by The British Legion and the less dramatic drop in cases from SSAFA. This has resulted in a significant decrease in the amount of money spent on benevolence. He advised members that this situation was not unique to the Corps, but that all regimental associations and the ABF - The Soldiers Charity had identified a drop in cases presented to them. Brig Craig was confident that the Corps was still providing assistance to those in need as they were being identified but he was concerned that perhaps not all those in need were being identified.
10. The Chairman asked the Corps Col if at the next D Pers Ops gathering, the scale of decreases that regimental associations were seeing in their benevolence cases could be determined. He also asked whether D Pers Ops could ask Support Command for an indication of the success of the Community Covenant. The answer to both may provide an indication of future trends.

Action: Corps Col

11. The Chairman was very keen that a presentation about the evolving transition arrangements for service leavers be made to both the Management Committee and Council. He asked that the Corps Col determine who is best placed to make such a presentation and extend them an invitation to address firstly the Management Committee and then Council.

Action: Corps Col

12. Col Gill asked if there was any particular reason for the higher than usual number of declined cases. The D Con said that where a need was not adequately demonstrated the request for assistance was declined. He quoted examples where two separate requests for assistance in removals expenses had been submitted by two soldiers who were being discharged through voluntary redundancy. Neither had declared their status to the caseworker or revealed that they would be receiving redundancy payments of ca £25K; assistance was declined.

13. The Benevolence Report was accepted.

ITEM 5 - TO NOTE THE CORPS COLONELS REPORT ON THE CORPS

14. The Corps Col presented his report. The report is at **Annex B**.

15. Brig Southall briefed the meeting on the new and various brigade constructs as part of the Army 2020 change.

16. Brig Craig said that Op PITCHPOLE was a great success for the Corps and a great story for the Army but he was surprised that so little advantage of positive publicity had been taken. The Chairman agreed and thought that perhaps within the Army, the Corps should be a more voluble about its achievements.

17. Maj Macgregor said that in terms of attracting reserves to the Corps he understood there was a huge amount of work to be done in mapping military qualifications across to civilian qualifications. The Corps Col said that this activity was in place and progressing well.

18. The Chairman remarked upon the lack of information about those leaving the Corps. He said that Sp Comd provided local authorities with information about the numbers of service people returning to their particular areas and whether there was a requirement for adaptations et al; whether it was possible to identify each by cap badge he was unsure. His point was that if it is possible for local authorities to be provided with such information, then the Corps should make enquiries about receiving Corps related information. Brig Southall said he would talk to Comd 2 SE Bde whilst it was still a regional entity, to determine what the actual process was. The Corps Col said he would also make similar enquiries up the D Pers Ops chain as there was an advantage for all cap badges.

Action: Comdt RSME, Corps Col

19. The Chairman thanked the Corps Col for his detailed report. The Corps Col's report was accepted.

ITEM 6 – TO NOTE THE MINUTES OF THE 111TH REA FINANCE MEETING AND TO CONSIDER AND APPROVE THE FOLLOWING DOCUMENTS:

- **Trustees' Annual Report and Financial Statements for the Royal Engineers Association for the year 2013**
- **Trustee Letter of Representation**
- **Key Issues Memorandum (KIM) 2013**
- **Auditors for FY 2014**

20. The Chairman drew the trustees' attention to the **Minutes of the 111th REA Finance Meeting**. The Minutes were noted.

21. In the absence of the REA Hon Treasurer, the Chairman introduced the **Trustees' Report & Financial Statements**. The document is at **Annex C**.

22. He said the financial status of the account is still extremely healthy. The overall value of the funds increased by over £993K in the last financial year, this was almost entirely due to the fluctuating value of our investments which dwarf the remainder of the funds and was unrealised. At the end of the financial year the value of our investments had increased by over £800K.

23. He continued by saying that the key point is that the day to day operations have shown a surplus of £193K despite the fact that we budgeted for a deficit (-£112K). This is principally the result of a greatly reduced spend on benevolence grants, weekly allowances and special Christmas grants (£358K against a budget of £618K, whereas in the previous year the total benevolence spend was £533K). This continues a recent downward trend for which there is no obvious reason. In order to try and produce tighter budgets in the future, we will need to take this trend into account.

24. With the reduction in the Regular component of the Corps and the consequential loss of funds from the Days Pay Scheme (DPS), Maj Macgregor asked what steps were being taken to encourage RE Reserves to contribute to the DPS. The Corps Treasurer said that People Policy Note 14-01, Reserves Contribution to the RE Central Charitable Trust, had been issued and promulgates Corps policy on the collection of RE Reserves contributions to the RECCT. It was early days yet and not possible to provide any feedback on the amount of contributions received. The Corps Col said there was an aspiration to configure JPA to allow regular contributions from Reserve soldiers. Until that time, contributions will be collected annually by RE units and submitted as a single unit payment to RECCT through the Corps Treasurer. A copy of PPN 14-01 is at **Annex D**.

25. The Chairman said the **Trustee Letter of Representation** was a standard document sent to the auditors each year. In essence 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. He reminded members that each and every one of them was stating compliance with the details of the letter. The Finance Committee recommended Council approval, which was given.

26. In introducing the **Key Issues Memorandum 2013 (KIM)**, the Chairman said that the auditors had made observations on 4 Branch accounts; this was out of a total of 115 Branches and Groups. The errors were of a minor nature and easily corrected. Regrettably one of these Branches, the Preston Branch, failed to submit their accounts on time, a failing for which there is really no excuse. Overall the Chairman was very pleased with the success of the Branch submissions and asked that they be congratulated for their efforts. He continued by saying that Branches should be aiming for a 100% success rate for the next round of Branch Financial Summaries.

27. The auditor's general comment relating to the need for improved budgeting of accounts did not currently apply to the REA but was included as a reminder for future budgets.

28. The Chairman said the REA Finance Committee recommended that the Council accept the **Auditors for FY 2014** appointed by the Chief Royal's Committee. Council endorsed the recommendation.

29. Cash-at-bank at the end of the last year was higher than required and remains so. The Finance Committee recommended that Council give authority to the Corps Treasurer to transfer up to £250K of cash into investments; he should be given the flexibility to do this at the most favourable moment.

30. Before putting forward the proposal, the Chairman asked the Corps Treasurer where the advice came from that would determine the best time to make the transfer. The Corps Treasurer replied saying that the Corps had a discretionary arrangement with its fund manager at BlackRock. Initially,

the Corps Treasurer would provide the fund manager with letter of authority to invest funds when the situation was most favourable. When this 'favourable' moment arrives, the fund manager would contact and advise the Corps Treasurer and seek his approval to make the investment.

31. **It was proposed** that the Corps Treasurer be authorised to transfer up to £250k to investments from cash-at-bank at his discretion after consultation with the Fund manager, when market conditions were most favourable.

Proposer: Mr W P Halloran

Secunder: Mr M Riley BEM

32. **It was proposed** to accept the REA Trustees' Annual Report & Financial Statements 2013.

Proposer: Maj R C A Macgregor MBE TD

Secunder: Mr R Price

33. The Chairman signed the original Trustees' Annual Report & Financial Statements 2013.

ITEM 7. UPDATE ON 2014 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.

35. Brig Craig said that he thought particular attention should be paid to current trends when considering the next budget. The Corps Treasurer advised the Committee that each year the Controller, the Hon Treasurer and he convened to discuss and set future budgets. He said that amongst the other charities he thought the REA was particularly careful and pragmatic when considering its budget.

36. The Corps Treasurer told the Committee that the AFCIF managed by BlackRock was the best performing multi investment fund. And although BlackRock fell slightly short of their target, they are still top of the top ten investment managers.

ITEM 8. ANY OTHER BUSINESS

37. **Group Structures and Annual Welfare Grants.** The Chairman said that there are currently eleven regional REA Groups and each receives an annual Welfare Grant of up to £1750. The amount granted is dependent on the amount spent each year; if it is all spent in year, then a further £1750 is granted in the next FY. If only £200 is spent in year, then only a further £200 will be granted in the next FY, each time making the total up to £1750.

38. He said that each Group receives the same amount regardless of the number of Branches in the Group. Whilst this is very satisfactory for those Groups with a small number of Branches to support, it is less so for Groups supporting large numbers of Branches. He suggested that a more equitable distribution may need to be considered but was reluctant to start any work on revising grants if Groups did not think it necessary; if they were broadly happy then the current rates would remain. The Chairman asked Group delegates to take the question back to their Group HQs and report back at the next Council meeting.

39. Brig Southall said that he thought the number of members supported by each Group was a major factor that also needed to be considered. He said that although some Groups would have a large number of Branches, many of these Branches may have only a small number of members; this would impact upon the support provided.

40. Maj R C A Macgregor suggested that in addition to the number of members in each Branch, consideration should be given to the location of Branches in relation to their Group Secretariat; the Northern Ireland Branch within the Scotland & NI Group was a good example.

41. The Chairman said that until the next meeting when delegates reported their Group's position, no work needed to be done by HQ REA. Only when Group positions were clarified would a plan of action be considered.

Action: All Group Trustees

42. **Retiring Trustees.** The Committee were advised that this was the last meeting for the following members:

- Lt Col (Retd) Nat Parmley – Elected Member for South West Group
- Mr Mike Barry MM – Elected Member for East Anglia Group

43. Although neither was able to attend the meeting, he thanked them for their long and active participation in the affairs of the REA.

ITEM 10. DATE OF NEXT MEETING

44. The date of the next meeting will be Thursday 11th September 2014 in MOD Main Building. The exact location of meeting room will be advised nearer the date.

06 June 2014

Deputy Controller

Minutes Approved

Date

Chairman
Maj General C J Boag CB CBE

Benevolence Report to 64th Meeting of the Council

Annex A
to 64th Meeting of Council
Dated 06 June 2014

1. **Trends 2013.** The total number of benevolence cases considered in 2013 was 24% less than the previous year. This is mainly attributable to a 43% drop in the number of cases submitted by The Royal British Legion (TRBL) and a 16% drop in cases submitted by SSAFA to the Association in 2013 compared with 2012. This is significant especially as the majority of the charity's cases invariably come through TRBL and SSAFA offices. It is clear from the data provided in Table 1 that the number of cases considered in some categories of benevolence has dropped significantly, though the reason for this is not known.

2. **Benevolence Cases Considered 2013 – 2009**

<u>Category</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Disabled & Illness	185	192	329	404	499
Old age	52	118	84	73	37
Widows	110	138	132	138	178
Unemployed	152	210	144	122	107
Miscellaneous	187	285	268	206	232
Grants not made	51	23	12	10	18
Totals	737	966	969	953	1071

Table 1

3. **Cost of Benevolence 2013.** The *audited* net cost of REA benevolence in 2013 made up of Grants, Christmas grants, weekly allowances and grants to other charities was in the region of £420,000; this figure does not include donated services support costs which amounted to a further £62,369 (£482,121 in total). This is substantially lower than 2012 where the *audited* net cost of benevolence made up of Grants, Christmas grants, weekly allowances and grants to other charities was £597,252; this figure does not include donated services support costs of £85,521 (£682,773 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 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 and trustees would attend at least one meeting.

5. **Weekly Allowances 2013.** Regular weekly allowances were made to about 110 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 2013.** Approximately 1400 Christmas cards and some 431 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 2013.** 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 £2,500 was made to Veterans Aid.

8. **Benevolence Staff.** Mrs Elizabeth Tarrant retired from her post as Benevolence Secretary at the beginning of March 2014. The post will take time to fill but until then the gap is being filled very efficiently by the Benevolence Assistant Laura Goodger with assistance from Ann Warner the Membership Secretary. We are indeed fortunate to have such loyal and thoughtful staff.

CORPS UPDATE MAY 14

8 ENGINEER BRIGADE

1. **Overview.** 8X has continued to support commitments at home and abroad; RE assets are integral to the drawdown of infrastructure and redeployment of Engr Log from Op HERRICK. In the UK, the Bde was heavily involved in Op PITCHPOLE – the military support to flood relief in the South of England. This support culminated with CO 66 Wks Gp commanding a bespoke team of 200 tri service personnel in the assessment of 150,000 Environment Agency (EA) flood defence assets in just under six weeks – a task that would usually have taken the EA 5 years to complete. A2020 continues apace with several Sqns re-subordinating, re-rolling or disbanding; the next big muscle move will be the formation of 25 Close Support Group on 01 August 14.

12 (FORCE SUPPORT) ENGINEER GROUP

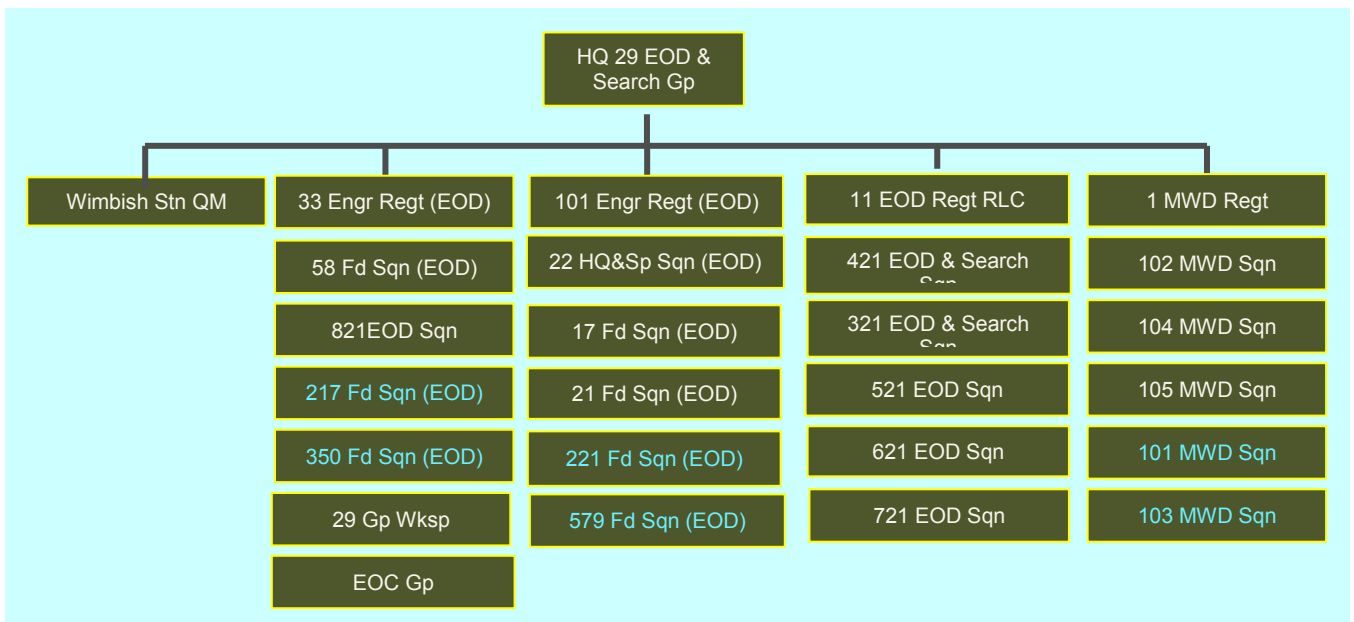
2. **A2020.** Re-subordination of 75 Engr Regt into the Group delayed from 01 Apr 14 until 01 Aug 14. 61 Fd Sp Sqn have re-subordinated to 36 Engr Regt. The RP&C role is to be undertaken by 20 Fd Sqn.

3. **Operations.** The operational focus for the Group has remained with the Broader Middle East (BME), providing contractual management for the implementation of new infra works to support Op MAINSTAY and Op HERRICK. As well as contractual infra development, the group has an enduring RE maintenance team in Minhad. Support to AIR continues; 529 STRE (Air Sp) are currently deployed to Lithuania to provide infra delivery in support of the provision of Typhoon to bolster Baltic Air Policing. Closer to home, the group provided recce support under Air Post Crash Management to the Joint Aircraft Recovery Team for the US Pave Hawk helicopter crash in Norfolk in January 14.

4. **Regular and Reserve Partnerships.** Op FORTIFY support continues with partnered units. 39 Engr Regt are partnering 71 Engr Regt and 36 Engr Regt are partnering 75 Engr Regt. Integration with regular and reserve exercises is gaining pace with reservists most recently deploying on Ex WARPAINT 14 with 36 Engr Regt. Regular personnel support to reservist exercises is planned for the 2014/15 training year.

29 EOD & SEARCH GROUP

5. **A2020.** Transformation continues to progress with combined EOD and Search Sqns established in both 33 Engr Regt (EOD) and 101 Engr Regt (EOD) as well as a second integrated Squadron in 11 EOD Regt. 350 Fd Sqn (EOD) is due to re-subordinate to 33 Engr Regt (EOD) on the 1 Jul 14. Whilst achievable, A2020 timelines will remain a significant challenge for the group to meet Initial Operating Capacity (IOC) by Apr 2015 with Full Operating Capacity (FOC) following in 2019.

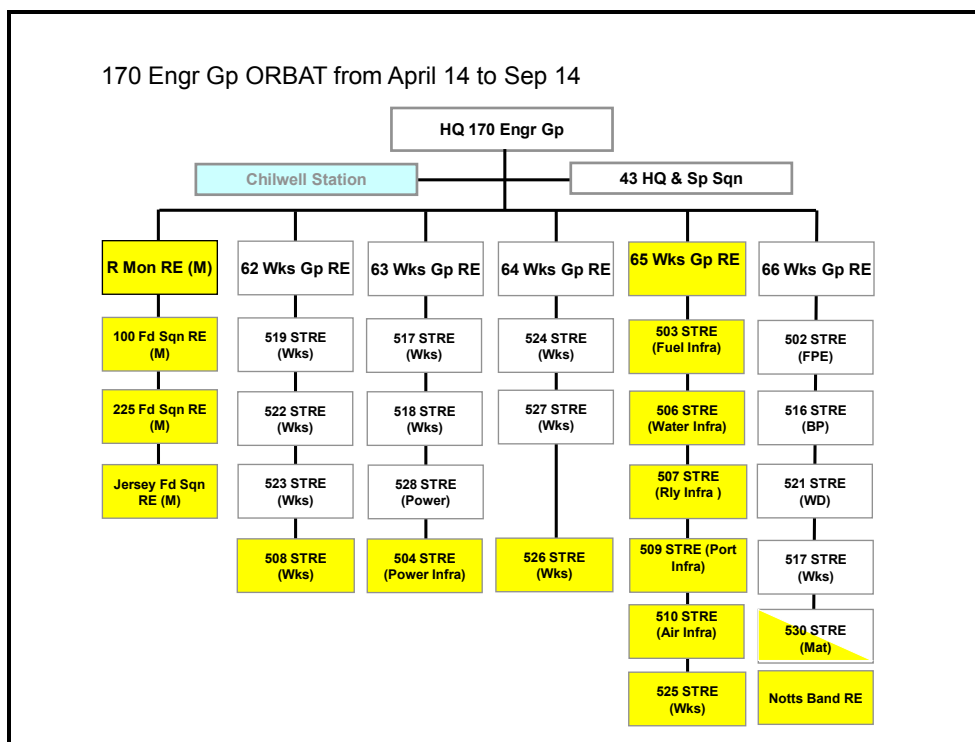


6. **UK Resilience.** The Group is heavily involved in planning of the security of high profile events such as the Commonwealth Games, the NATO conference and Party Political Conferences, as well as maintaining support under Op TAPESTRY. The responsibility for the provision of Search support to UK Military Aid to Civil Powers (MACP) has transferred to 11 EOD Regt RLC alongside the establishment of a total of 135 RE posts.

7. **Operations.** Op HERRICK EOD and Search FE have merged into the Engr Sqn. Upstream Capacity Building continues with deployments to PAKISTAN, LIBYA and COLOMBIA, whilst supporting a developing requirement in EGYPT.

170 (INFRA SUPPORT) ENGINEER GROUP

8. **A2020 STRUCTURE.** Under A2020, 170 (Infra Sp) Engr Gp will be an integrated Regular and Reserve organisation that consists of two Reserve units (R Mon RE (M) and 65 Wks Gp) and 4 hybrid units (62, 63, 64 and 66 Wks Gps). R Mon RE (M) and the Nottinghamshire Band of the Royal Engineers re-subordinated into the Group on 1 Apr 14. The diagram below shows the Group's ORBAT as at 1 Apr 14. The next series of internal moves are scheduled for completion by end Sep 14.



170 Engr Gp ORBAT as at 1 Apr 14 through to Sep 14

9. **Operations.** 64 Wks Gp will TOA from 63 Wks Gp on Op HERRICK in late June 14. This will be the last Works Group level deployment to Afghanistan as the commitment reduces to an Op TORAL footprint in 2015. From Apr 15, 170 Engr Gp will assume responsibility for infrastructure delivery in BME including Minhad, Al Udeid, Bahrain, Musanah, Seeb and Thumrait.

10. **UK Resilience.** 170 Engr Gp deployed 4 x technical recce teams (including a technical dive capability) on Op PITCHPOLE, providing Military Aid to the Civil Authorities (MACA) and identifying tasks for military personnel whilst CO 66 Wks Gp RE assumed command of the tri-service team tasked with the inspection of EA Flood Defence assets.

MILITARY STABILISATION SUPPORT GROUP (MSSG)

11. **A2020.** Ongoing work to co-locate MSSG, 15 Psychological Operations Group (15 POG), and the Media Operations Group Volunteers (MOG (V)) at Hermitage

12. **Operations.** Short Term Training Teams (STTTs) to Somalia, BATUK, Uganda and Sierra Leone.

G1 – PERSONNEL & ADMINISTRATION

13. **Army Redundancy Tranche 4 (T4).** The Notification of Selection for Tranche 4 of redundancy will take place on 12 Jun 14. The Corps will only take redundancies from the Queens Gurkha Engineers (QGE) and then only a small amount of personnel.

14. **Deaths.** The Corps has sadly lost the following personnel since the last publication:

Afghanistan

5 Mar 14 Spr A Moralee 32 Engineer Regiment

Non Operational

10 Feb 14 Cpl T Stevenson 36 Engineer Regiment

25 Feb 14 Spr D Gibson 26 Engineer Regiment

27 Apr 14 Lt Col P Spilsbury DIO

15. **Honours & Awards.** The following personnel were honoured in Armed Forces Operational Awards List Number 42:

Appointment to the Military Division of the Most Honourable Order of the Bath

As Commander (CB) Colonel Robert James RIDER (Late RE)

As Officers (OBE) Lieutenant Colonel Jason Richard KERR RE

As Members (MBE) Warrant Officer Class 2 Alan Fraser HAMILTON RE

QGM Captain Michael Robert John KENNEDY RE

MID Sapper James Ieuan MCDERMOTT

QCVS Staff Sergeant Adam Landers MARSHALL RE
Sapper Adam Robert OXLEY
Colonel Andrew William PHILLIPS (Late RE)
Major Alexandra Emily Caroline BENN MBE

This illustrates the volume of high quality personnel who serve in the Corps. Many congratulations to all those who received an award.

G3 OPERATIONAL ACTIVITY (ACROSS THE CORPS).

16. **OP HERRICK.** Afghanistan remains the Defence Main Effort. Both 35 Engineer Regt and 33 Engr Regt (EOD) are deploying assets on Op HERRICK 20 with 64 Wks Gp providing the UK Wks Gp (A). Base Remediation and Closure/Transition has in the main, been completed leaving the drawdown, deconstruction, decommission of infrastructure and services in Camp Bastian and the redeployment of Engr Log as the main tasks. It is highly likely that specialist Engineer surge will be required as the pace of drawdown increases.

17. UK Resilience

- a. **Op PITCHPOLE.** Approx 200 RE personnel were mobilised to conduct flood relief across the South of England. As well as specialist support engineer support including the use of RE boats, technical infrastructure recce and plant, the Brigade HQ lead with the assessment of 150,000 Environment Agency flood defence assets after an urgent request by the government and SJC.

- b. **Op ESCALIN.** 36 Engr Regt is the lead unit for trained fuel hauliers within the Bde in response to Industrial Action to fuel strikes.

OTHER COMMITMENTS

- 18. **Support to Baltic Air Policing.** 529 STRE (Air Sp) have a small air support team currently deployed to Lithuania to assist with the siting of aircraft in support of Baltic Air Policing.
- 19. **Libya.** No change. The UK remains committed to the development of the Libyan armed forces.
- 20. **Pakistan.** No change. 8X continue to support the delivery of CIED capability development in Pakistan through 1* engagement.
- 21. **Cyprus.** 28 Engr Regt completed their deployment on Op TOSCA in Apr 14.
- 22. **Falkland Islands.** The Corps is currently investigating with DIO a proposal to conduct three Joint Force Enabling Exercises (JFEs) to upgrade Remote Radar Head accommodation starting summer 2015. The project will be remote, austere and involve extended logistic lines. It will also facilitate fantastic technical design, artisan construction and engineer logistics training for the Corps - exactly the type of construction training for contingency operations. Although still formally in the negotiating and planning stage things are looking positive.
- 23. **Kenya.** No change. The Infrastructure Development Plan (IDP) in Kenya continues to be the focus for the Joint Force Enabling exercises (JFEs).
- 24. **Defence Engagement (DE) and Upstream Capacity Building (UCB).** The Corps continues to lean into UCB utilising the experiences of MSSG and STTTs which are a common occurrence across all groups. Whilst the Brigade retains regional responsibility for the Far East under the Army's Defence Engagement Strategy, there have been a number of examples of specialist engineer involvement within other regions.
 - a. 33 Engr Regt has integrated with 4X and will be hosting an Egyptian delegation in May.
 - b. 39 Engr Regt has deployed personnel to advise Kosovan Engineers in the construction of a range and assault course. To further the relations, Kosovan Engineers were hosted in the UK to display how a UK Engr Regt worked within barracks and on exercise.

G7 TRAINING ACTIVITY

- 25. **Reserves.** Op FORTIFY continues to support Reserve recruiting with partnerships between Regular and Reserve units. The second phase of personnel for Recruiting Support Teams (RSTs) are assuming post now maintaining and developing the work started within the first six months of the task.

Regular Unit	Reserve Unit
36 Engr Regt	75 Engr Regt
39 Engr Regt	71 Engr Regt
66 Wks Gp	65 Wks Gp
Composite RST	R Mon RE (M)

- 26. **Reservist integration.**
 - a. **Op PITCHPOLE.** Although no Reserve Engr units were required as formed units, individuals were utilised to good effect. Upon request for geological support by Network Rail a capability gap was identified. Fortunately this was resolved through a Reservist Geologist who was dispatched to advise with cliff stability for the repair of the Dawlish Railway. Additionally several Reservists were mobilised as Flood Defence Inspectors.

b. **Ex GRIFFIN HERALD.** Reservist capabilities from across the Corps were displayed as part of the launch of Force Troops Command on Ex GRIFFIN HERALD. This was an excellent opportunity to show Reservist and Regular integration and how specialist reservist knowledge can enhance their regular counterparts.

c. **Reserve Sport.** 71 Engineer Regiment's football team won the Army Reserve Football Association Challenge Cup (Formerly the TA Army Football Association Challenge Cup) on 26 Apr 14. They are the first Engineer Regiment to lift the trophy.

27. **BATUK Infrastructure Development Plan (BIDP) JFEES.** 8X continue to deliver 4 JFEES in Kenya as part of the BIDP. The work that the MCFs have and will be engaged in is shown below:

Serial (a)	Ex Name (b)	Unit (c)	Remarks (d)
1	SAILFISH May – Jul 14	39 Engr Regt 48 Fd Sqn	<ul style="list-style-type: none"> • Complete stage 2 of RMP buildings, to include first fittings (superstructure) • Complete phase 1 of the Finance building (ground works) • CE projects, identified by HQ BATUK to include Aberdare bridge and Aberdare fall tasks • Completion of Kamala Airstrip
2	NORTHERN QUEST Jul – Sep 14	22 Engr Regt 5 AES	<ul style="list-style-type: none"> • RMP Building fit out • Finance Building Superstructure • Nanyuki Stadium Phase 1 or Sirimon Bridge (CE tasks) • Aberdare Bridge & viewing platforms? (if funded).
3	CRAB APPLE Sep – Nov 14	22 Engr Regt 52 AES	<ul style="list-style-type: none"> • Close down resources yard and tented camp. • RMP Building snagging/Testing & Commissioning • Finance Building fit out • Nanyuki Stadium Phase 1 or Sirimon Bridge (CE tasks)
4	OAK APPLE Feb – May 15	26 Engr Regt TBC	<ul style="list-style-type: none"> • Set up of resources yard and tented camp. • Finance Building snagging/Testing & Commissioning • Armoury ground works • Nanyuki Stadium Phase 2 or Archers Post Sanitation Block (CE Tasks)

CORPS SPORTS

28. **Events, Achievements & Fixtures.** The following is a list of the sporting events and subsequent achievements to date this year.

a. Royal Engineers Rugby League (RERL) began the season with a Pre-Season Training Camp and had the following results:

RERL 28 v Scarborough Pirates 10
RERL 34 v Jarrow Vikings 10

The team also played the opening game of the season against the RLC in the Lawson Cup and ran out convincing winners 18-16. The next game is RE v RA on Wed 14 May 14, Chatham, KO 1400hrs

b. RE Cricket Team will take part in the Inter Corps T20 Cricket Competition on 13-15 May 14 at the Army Cricket Ground in Aldershot.

FUTURE EVENTS

29. The following is a list of notable events for the first half of 2014:

a. 28 Engineer Regiment disbandment and Hameln closure, 13-15 June 2014

b. RE Games. The summer RE Games will be held at Tidworth, hosted by 22 Engineer Regiment during the period 24-26 June 2014.

SUMMARY

30. The Corps remains as busy as ever across the globe with an enduring demand for Sappers as Professional Engineers, Combat Engineers, Artisans or Sporting Gladiators, at home or on operations. The future has more change for the good and must be embraced positively by all those associated with the Corps.

Charity numbers: 258322 and SC041832

The Royal Engineers Association

Trustees' report and financial statements

For the year ended 31 December 2013

The Royal Engineers Association

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The Royal Engineers Association

Reference and administrative details of the charity, its trustees and advisers For the year ended 31 December 2013

Trustees ("Council")

General Sir Peter Wall KCB CBE ADC Gen	President	Retired September 2013
Lieutenant General Sir Mark Mans KCB CBE DL	President	Appointed September 2013
Major General CJ Boag CB CBE	Chairman	
Brigadier AS Craig OBE	Deputy Chairman	
Brigadier S Hodder		Retired July 2013
Brigadier DW Southall OBE		Appointed July 2013
Colonel RMR Hunt	Honorary Treasurer	
Colonel CNR Skeat ADC	Corps Colonel	
Colonel DM Gill		
Lieutenant Colonel RW Murfin TD DL		
WO1 (Corps RSM) J Blaylock		Retired April 2013
WO1 (Corps RSM) P Marsh		Appointed April 2013
Mr TP Hartley		Tenure Expired 2013
Mr M Riley MBE		Appointed October 2013
Mr B Owens		
Lieutenant Colonel F Ford		Tenure Expired 2013
Lieutenant Colonel A Bunting		Appointed May 2013
Lieutenant Colonel N Parmley		
Mr J Walsh		
Mr M Barry MM		
Mr G Littleford		Tenure Expired 2013
Mr K Green		Appointed May 2013
Mr R Price		
Mr R Prosser		Resigned July 2013
Mr WP Halloran		Appointed July 2013
Mr B Hayes		
Major R MacGregor MBE TD		

Charity registered numbers

258322 and SC041832

Principal office

Regimental Headquarters Royal Engineers
Brompton Barracks
Chatham
Kent
ME4 4UG

Independent auditor

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

The Royal Engineers Association

Reference and administrative details of the charity, its trustees and advisers For the year ended 31 December 2013

Advisers (continued)

Bankers

Lloyds plc
7 Pall Mall
London
SW1Y 5NA

Solicitors

Brachers
Sommerfield House
59 London Road
Maidstone
Kent
ME16 8JH

Investment managers

BlackRock Investment Managers
12 Throgmorton Avenue
London
EC2N 2DL

The Royal Engineers Association

Trustees' report For the year ended 31 December 2013

The Trustees ("Council") present their annual report and the audited financial statements for the year ended 31 December 2013. 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 Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

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. 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 22 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.

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 2013 are detailed on page 1.

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.

The Royal Engineers Association

Trustees' report (continued) For the year ended 31 December 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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. There are 96 branches in these group areas located in towns and cities in the UK and overseas who normally meet up once a month for camaraderie and Esprit de Corps.

Additionally, within these groups there are a further 10 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 retired in October 2012 and a suitable replacement has not yet been 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.

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

Delivery

Meetings and reunions are held at numerous locations under arrangements of groups and branches. Benevolence to those in need is considered of paramount importance. All applications received from the Sapper family are considered sympathetically, with financial assistance and advice being given as thought proper.

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.

The Royal Engineers Association

Trustees' report (continued)

For the year ended 31 December 2013

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 over 1200 recipients, from whom many letters of appreciation have been received. The total numbers of benevolence cases considered in 2013 was 24% less than the previous year. This is mainly attributable to a 43% drop in the number of cases submitted by The Royal British Legion (TRBL) and a 16% drop in cases submitted by SSAFA to the Association in 2013 compared with 2012. This is significant especially as the majority of the charity's cases invariably come through TRBL and SSAFA offices.

Grants Considered in 2013

Year	2013	2012	2011	2010	2009
Disabled & Illness	185	192	329	404	499
Old age	52	118	84	73	37
Widows	110	138	132	138	178
Unemployed	152	210	144	122	107
Miscellaneous	187	285	268	206	232
No grant made	51	23	12	10	18
Totals	737	966	969	953	1,071

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, with financial assistance and advice.
- 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 110 applicants and some have further assistance from the Army Benevolent Fund (ABF) where there is a need to financially assist with nursing home fees.
- Approximately 1400 Christmas cards and some 431 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 £2,500 was made to Veterans Aid.

The Royal Engineers Association

Trustees' report (continued) For the year ended 31 December 2013

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.

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 direct 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 ten active branches in Scotland under the control of the Scotland & Northern Ireland Group Headquarters based at RAF Leuchars. 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.

2013 FINANCIAL REVIEW

Serving RE officers, warrant officers and soldiers subscribe to the Royal Engineers Central Charitable Trust under the Army's 'Day's 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 Day's 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 £193,200 (2012 – incoming £19,161).

The Royal Engineers Association

Trustees' report (continued) For the year ended 31 December 2013

Balance Sheet

The accumulated funds increased by £993,338 to £10,315,230 (2012 increased by £489,281 to £9,321,892). 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 £420,740 in 2012 to £264,656. Christmas grants decreased by £2,780 to £21,460 in 2013 and weekly allowances decreased from £104,772 in 2012 to £86,136 in 2013.

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.

Investment performance

Investments delivered dividends of £343,478 in 2013 (2012 - £299,532). During the period 1 January to 31 December 2013, the performance of the distribution units in the Fund was +9.7% (2012 - +6.0%) after fees and expenses. Since launch the fund has produced a return of +73.3%, +4.6% (2012 - +58.0%, +6.0%) 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 2013 and Trustees were content that systems have been established to mitigate those risks identified.

Reserves

The account posts net incoming resources of £193,200 (2012 – incoming £19,161) before realised and unrealised gains. Gains on investments amounted to £800,138 (2012 – gains of £470,120) giving a positive net movement in funds of £993,338 (2012 – £489,281). 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 Afghanistan, the Gulf 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.

The Royal Engineers Association

Trustees' report (continued)
For the year ended 31 December 2013

Public Benefit

The REA Trustees have paid due regard to the Charity Commissioner'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 stairlifts 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

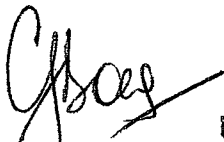
The Trustees of the REA have set objectives over the coming years to continue assisting those who have fallen on hard times and in need of financial assistance. In addition the Trustees will continue to promote the Corps of Royal Engineers throughout the ranks of the serving Sapper, the retired REA membership and through Groups and Branches.

As a result of the Strategic Defence and Security Review, manning levels in the Corps of Royal Engineers will reduce over coming years. In parallel with this, RE Days Pay Scheme contributions, which constitute the REA's main source of annual income, will also reduce. Trustees will monitor any impact this may have on meeting REA objectives and, if necessary, reconsider their extant policy not to pursue active fundraising.

Auditors

Reeves & Co LLP have expressed their willingness to continue in office as the charity's auditor and a resolution to re-appoint them will be considered at the next Chief Royal Engineer's Meeting.

Approved by the Trustees
and signed on behalf of the Trustees



13 May 2014

Major General CJ Boag CB 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 2013 set out on pages 11 to 23. 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 2013 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.

The Royal Engineers Association

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

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.



Reeves & Co LLP

Chartered Accountants
Registered Auditors
Chatham Maritime

Date: 11 June 2014

Reeves & Co 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 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	600,829	-	600,829	731,226
Activities for generating funds	8	127,432	-	127,432	157,326
Investment income	9	328,887	16,228	345,115	301,452
Other incoming resources	10	29,074	-	29,074	29,481
Total incoming resources		1,086,222	16,228	1,102,450	1,219,485
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	11	4,470	-	4,470	4,770
Charitable activities	12	451,816	371,876	823,692	1,111,696
Governance costs	15	81,059	29	81,088	83,858
Total resources expended		537,345	371,905	909,250	1,200,324
Net incoming resources / (resources expended) before transfers		548,877	(355,677)	193,200	19,161
Transfers between Funds	22	491,670	(491,670)	-	-
Net incoming resources before revaluations		1,040,547	(847,347)	193,200	19,161
Gains and losses on revaluations of investment assets		645,000	155,138	800,138	470,120
Net movement in funds for the year		1,685,547	(692,209)	993,338	489,281
Total funds at 1 January 2013		7,686,263	1,635,629	9,321,892	8,832,611
Total funds at 31 December 2013		9,371,810	943,420	10,315,230	9,321,892

All activities relate to continuing operations.


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

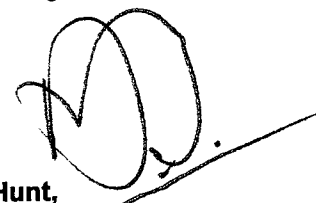
The Royal Engineers Association

**Balance sheet
As at 31 December 2013**

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	18		101,228		111,584
Investments	19		<u>9,361,633</u>		<u>8,308,645</u>
			9,462,861		8,420,229
Current assets					
Debtors	20	184,444		155,690	
Cash at bank and in hand			<u>690,188</u>	<u>779,656</u>	
			874,632	935,346	
Creditors: amounts falling due within one year	21	<u>(22,263)</u>		<u>(33,683)</u>	
Net current assets			<u>852,369</u>		<u>901,663</u>
Net assets			<u>10,315,230</u>		<u>9,321,892</u>
Charity Funds					
Restricted funds	22		943,420		1,635,629
Unrestricted funds	22		<u>9,371,810</u>		<u>7,686,263</u>
Total funds			<u>10,315,230</u>		<u>9,321,892</u>

The financial statements were approved by the Trustees on 13 May 14 and signed on their behalf, by:


Major General CJ Boag CB CBE,
Chairman 13 May 2014


Colonel RMR Hunt,
Honorary Treasurer
10 Apr 14

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

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

The financial statements combine the accounts of all Funds including all branches which are governed by the terms of the Trust Deed dated 19 November 1968.

1.2 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 specified purposes.

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

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

1.3 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources and the monetary value of the incoming resources can be measured with reliability.

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.

**Notes to the financial statements
For the year ended 31 December 2013**

1. Accounting policies (continued)

1.4 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 and are always authorised by trustees.

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 12.

The costs of generating funds consist of investment, management and certain legal fees.

1.5 Tangible fixed assets and depreciation

REA assets, including those purchased 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 & 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, currently £650.

1.6 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.

1.7 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.

1.8 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.

1.9 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 2013

2. Voluntary income

		Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	(Note 3)	69,180	-	69,180	89,680
Legacies	(Note 4)	5,794	-	5,794	45,251
Grants	(Note 5)	5,000	-	5,000	2,500
Subscriptions	(Note 6)	447,201	-	447,201	475,430
Donated services and facilities	(Note 7)	73,654	-	73,654	118,365
		600,829	-	600,829	731,226

3. Donations

		Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
General donations		59,507	-	59,507	74,600
Donations from branches		1,527	-	1,527	581
Tax refund		2,757	-	2,757	185
Website donations		5,389	-	5,389	4,314
Kitchener Scholarship donation		-	-	-	10,000
		69,180	-	69,180	89,860

4. Legacies

		Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
J Sage		-	-	-	44,601
Other legacies		5,794	-	5,794	650
		5,794	-	5,794	45,251

5. Grants

		Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
H&M Charitable Trust		5,000	-	5,000	2,500

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2013**

6. Subscriptions and tax

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Membership	19,023	-	19,023	24,464
Grant from RECCT (represents 50% of Day's Pay Scheme subscriptions to RECCT)	428,178	-	428,178	450,966
	447,201	-	447,201	475,430

7. Donated services and facilities

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Gas	1,604	-	1,604	1,565
Electricity	1,886	-	1,886	1,840
Water and sewage	766	-	766	748
Community charge	5,021	-	5,021	4,900
Utilities	1,310	-	1,310	1,279
MOD salaries	27,000	-	27,000	71,000
Administration salaries	36,067	-	36,067	37,033
	73,654	-	73,654	118,365

8. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Esprit de Corps income	127,432	-	127,432	157,326

REA Branches generated £127,432 (2012 - £157,326) from activities.

9. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Dividends – AFCIF	327,359	16,119	343,478	299,532
Bank interest	1,528	109	1,637	1,920
	328,887	16,228	345,115	301,452

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2013

10. Other incoming resources

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Refund of grants	18,709	-	18,709	13,719
Sundry income	10,365	-	10,365	15,762
	29,074	-	29,074	29,481

11. Costs of generating voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Recruiting (inc postage)	4,470	-	4,470	4,770

12. Analysis of resources expended by activities

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Benevolence (Note 13)	419,752	62,369	482,121	682,773
Esprit de Corps (Note 14)	243,167	98,404	341,571	428,923
	662,919	160,773	823,692	1,111,696

13. Benevolence grants and allowances

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Activities undertaken directly				
Grants	375	264,281	264,656	420,740
Christmas grants	-	21,460	21,460	24,240
Weekly allowances	-	86,136	86,136	104,772
Army Benevolent Fund	35,000	-	35,000	35,000
SSAFA Families Help	7,500	-	7,500	7,500
Other charities	5,000	-	5,000	5,000
	47,875	371,877	419,752	597,252
Support Costs				
Travel costs	1,825	-	1,825	1,149
Donated services support costs	18,120	-	18,120	16,853
Donated services MOD salaries	22,200	-	22,200	52,000
Staff costs	20,224	-	20,224	15,519
	62,369	-	62,369	85,521
	110,244	371,877	482,121	682,773

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2013

14. Esprit de Corps

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Activities undertaken directly				
Corps activities	42,711	-	42,711	50,845
Branch donations	20,342	-	20,342	26,487
Branch activities	173,191	-	173,191	246,968
Postage and telephone	1,854	-	1,854	2,508
Annual dinner	5,069	-	5,069	3,924
	243,167	-	243,167	330,732
Support Costs				
Staff travel	-	-	-	1,710
Donated services support costs	14,944	-	14,944	13,753
Donated services MOD salaries	-	-	-	8,000
Staff costs	83,460	-	83,460	74,728
	98,404	-	98,404	98,191
	341,571	-	341,571	428,923

15. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Audit fee	7,121	-	7,121	6,903
Accountancy fee	343	-	343	1,500
Legal and professional	1,128	-	1,128	1,023
Annual conference expenses (Inc. travel)	3,240	-	3,240	4,394
Committees	5,206	-	5,206	5,135
General and trustees indemnity insurance	4,100	-	4,100	4,060
Printing and stationery	43	-	43	982
Advertising	100	-	100	462
Fees and subscriptions	458	-	458	434
Bank charges	763	29	792	41
Computer support	10,252	-	10,252	1,085
Donated services support	13,590	-	13,590	16,759
Donated services MOD salaries	4,800	-	4,800	11,000
Postage and telephone	2,782	-	2,782	3,761
Miscellaneous expenses	16	-	16	-
Staff costs	16,545	-	16,545	15,417
Depreciation	10,572	-	10,572	10,902
	81,059	29	81,088	83,858

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2013

16. Net incoming resources / (resources expended)

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the charity	10,592	10,902
Auditor's remuneration	7,121	6,903
Auditor's remuneration - non-audit	343	1,500
	<hr/>	<hr/>

During the year, no Trustees received any remuneration (2012 - £NIL).

During the year, no Trustees received any benefits in kind (2012 - £NIL).

11 Trustees received reimbursement of expenses amounting to £4,424 in the current year, (2012, 11 Trustees - £4,094).

17. Staff costs

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	103,983	89,465
Social security costs	9,654	7,264
Other pension costs	6,592	8,935
	<hr/>	<hr/>
	120,229	105,664

The average monthly number of employees during the year was as follows:

	2013 No.	2012 No.
Management and administration of the charity	6	7
	<hr/>	<hr/>

No employee received remuneration amounting to more than £60,000 in either year.

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2013**

18. Tangible fixed assets

	Unrestricted Designated Fixtures & fittings £	Unrestricted General Property £	Unrestricted General Computer equipment £	Total £
Cost				
At 1 January 2013	78,123	98,711	9,916	186,750
Additions	-	-	728	728
Disposals	-	-	(2,759)	(2,759)
At 31 December 2013	78,123	98,711	7,885	184,719
Depreciation				
At 1 January 2013	8,026	59,308	7,832	75,166
Charge for the year	512	9,757	815	11,084
On disposal	-	-	(2,759)	(2,759)
At 31 December 2013	8,538	69,065	5,888	83,491
Net book value				
At 31 December 2013	69,585	29,646	1,997	101,228
At 31 December 2012	70,097	39,403	2,084	111,584

19. Fixed asset investments

	Listed securities £	Branch Investments £	Total £
Market value			
At 1 January 2013	8,286,195	22,450	8,308,645
Purchased	250,000	-	250,000
Revaluations	800,138	-	800,138
Movement on branch investments	-	2,850	2,850
At 31 December 2013	9,336,333	25,300	9,361,633
Historical cost	5,728,974	22,450	5,502,424

Investments at market value comprise:

	2013 £	2012 £
Listed investments	9,336,333	8,286,195
Branch investments	25,300	22,450
Total market value	9,361,633	8,308,645

Material investments

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

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2013

20. Debtors

	2013 £	2012 £
Branch debtors	1,214	1,583
Other debtors	89,190	89,147
Prepayments and accrued income	94,040	64,960
	<u>184,444</u>	<u>155,690</u>

21. Creditors: Amounts falling due within one year

	2013 £	2012 £
Branch creditors	5,865	7,367
Other creditors	7,443	7,104
Accruals and deferred income	8,955	19,212
	<u>22,263</u>	<u>33,683</u>

22. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Branch funds	334,601	202,963	(193,533)	-	-	344,031
General funds						
General funds	7,351,662	883,259	(343,812)	491,670	645,000	9,027,779
Total Unrestricted funds	<u>7,686,263</u>	<u>1,086,222</u>	<u>(537,345)</u>	<u>491,670</u>	<u>645,000</u>	<u>9,371,810</u>
Restricted funds						
A Fund	29,964	-	(6,262)	(15,873)	1,989	9,818
B Fund	1,157,788	-	(351,019)	(472,650)	115,999	450,118
Gabriel Fund	10,876	24	(1,814)	-	-	9,086
Kitchener Scholarship Fund	437,001	16,204	(12,810)	(3,147)	37,150	474,398
Total Restricted Funds	<u>1,635,629</u>	<u>16,228</u>	<u>(371,905)</u>	<u>(491,670)</u>	<u>155,138</u>	<u>943,420</u>
Total of funds	<u>9,321,892</u>	<u>1,102,450</u>	<u>(909,250)</u>	<u>-</u>	<u>800,138</u>	<u>10,315,230</u>

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2013

23. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	101,228	-	101,228	111,584
Fixed asset investments	8,927,163	434,470	9,361,633	8,308,645
Current assets	825,619	49,013	874,632	935,346
Creditors due within one year	(22,263)	-	(22,263)	(33,683)
	9,831,747	483,483	10,315,230	9,321,892

24. 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 £6,592 (2012 - £8,935).

25. The Gabriel Fund

In 1996 a legacy of £25,000 was received from the estate of Colonel R C Gabriel. No restriction was placed on these funds at the time, hence it was included in the General Fund at 31 December 1996.

During 1997 the Association applied for, and was granted a further legacy of £20,000 from the estate of Colonel R C 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 R C Gabriel.

26. Related party transactions

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

RHQ RE / 04_04_02_05

14 Mar 14

See Distr:

PEOPLE POLICY NOTE 14-01
RESERVES CONTRIBUTION TO RE CENTRAL CHARITABLE TRUST (RECCT)

Reference:

A. Chief Royal Engineer's Committee meeting 5 Dec 13.

General

1. The RECCT is a Charitable Fund controlled by elected Trustees, including the Chief Royal Engineer. It operates under a Trust Deed which specifies the fund's objectives, and is approved by the Charity Commission. It is funded through managed investments, bequests and donations. Funds are expended to support the following:

- a. Benevolence activities of the RE Association (REA).
- b. RE sports, games and adventurous training.
- c. The Sapper Magazine.
- d. RE Museum.
- e. Esprit de Corps activities.
- f. RE Band.
- g. Grants to other Corps activities (for example Op Tour grants to units deployed on operations).

Expenditure details are published annually in the Sapper Magazine and elsewhere (including the Charities Commission website).

2. Regular RE officers and soldiers provide personal contributions to RECCT through the Payroll Giving Scheme (PGS) (hitherto known as the 'Days Pay Scheme) and their contributions are collected via JPA¹. Unfortunately, although an aspiration, JPA is not yet configured to collect regular contributions from Reserve soldiers.

3. At Reference A, the subject was discussed and it remains extant that Reservist officers and soldiers should be encouraged to support the RECCT (indeed some already do with many others keen to do so). Members of the scheme would be eligible for benevolence and other benefits dispersed by the Corps, including adventure training grants². Once the sum of £36.00 has been contributed members of the scheme become eligible for Life Membership of the RE Association³.

¹ The Regular component of the Corps donates 120-230% of one day's pay through PGS.

² For sports and adventure training, dependant on personal contributions, a Regular Sapper may receive between £40-£200 and a Reserve Sapper between £20-£150.

³ The benefits of membership of the REA can be seen at www.reahq.org.uk

4. In line with the 'giving' element of PGS, all contributions are to be voluntary. The method used to calculate the contribution rate for each rank is shown below and is based on a mid-level (lower pay band) annual salary rate (as at 1 Apr 13), assuming 40 days attendance:

Daily salary x40 ÷ 365 rounded to the nearest pound.

The table at Annex A details all rates. By choosing a mid-level salary rate and rounding to the nearest £1 the need to completely re-issue rates following each Armed Forces Pay Review Body (AFPRB) salary increase is negated. The rates therefore only need be reviewed every 5 years.

5. A number of payment options have been explored including direct debit mandates. It was agreed at Reference A that, until the JPA option becomes available, the onus should be on the unit to collect. Reservist contributions should be collected annually in unit, as at 1 April, and forwarded (by cheque or bank transfer) to Corps Funds at RHQ RE supported by a nominal roll of all contributors. Notwithstanding the fact that Corps funds (including adventure training grants) are run on the calendar year, not the fiscal year, payments made on 1 Apr 14 will ensure membership benefits are enjoyed until 1 Apr 15. In line with current practice, only members of the unit contributing to the Payroll Giving Scheme will be eligible to receive personal grants in support of adventure training.

Aim

6. The aim of this document is to promulgate Corps policy on the collection of RE Reserves contributions to the RECCT.

Policy

7. People Policy Note 11.01 (TA Contributions to RECCT) dated 14 Feb 11 is cancelled. With immediate effect units are to encourage RE Reserve officers and soldiers to contribute to the RECCT. It is emphasised that contributions are individual and voluntary. A bullet brief is included at Annex B and provides a useful handrail for unit briefings.

8. **Unit collections.** RE Reserve contributions are to be collected annually by RE units. RECCT donations are to be collected into a single unit payment submitted to RECCT through Corps Treasurer RHQ RE with a complete nominal roll and Gift Aid forms (encl 3). Bids on Corps Funds (such as for entertainment, community engagement etc) by RE Reserve units will only be reviewed favourably if units are seen to be contributing in line with their regular counterparts; a something for nothing culture will not prevail.

9. **Isolated Individuals.** RE Reserve personnel serving in 'singleton' appointments are encouraged to send their own individual contributions direct to RECCT. Individuals should include their Number, Rank, Name and Unit (and previous Reserve unit where applicable) with their contribution to provide a clear audit trail of payments made.

10. **Rates and Reviews.** The agreed rates for RE Reserves' contributions, given at Annex A, will be reviewed every 5 years.

11. Responsibilities.

a. **Units.**

(1) Provide annual briefings, and publish a repeat unit / sub-unit Part One Order, encouraging individual contributions to RECCT.

(2) Collect and consolidate individual contributions and provide payment with a nominal roll and gift aid declarations to Corps Treasurer RHQ RE.

b. RHQ RE.

(1) Receive and acknowledge receipt of contributions.

(2) Process gift aid declarations.

(3) Maintain a database of all individual Reserves donations in order to provide statistics as required and support the REA with Life Membership status.

(4) Disperse benefits on application as appropriate.

12. Further information and Advice. Units or individuals seeking further advice on the RECCT should consult the Corps Treasurer (94561 2355) or Colonel RE as appropriate.

Summary

13. This PPN promulgates Corps policy on the collection of Reserve contributions to the RE Charitable Trust Fund.

(Signed on DII)

Author – Corps Treasurer RHQ RE

Authorised - SO1 People & Policy RHQ RE

Tel: 94661 2328

RE-RHQ-People-SO1@mod.uk

Enclosures:

1. RE Reserves Payroll Giving Scheme – Rates.
2. RE Contributions to the RE Central Charitable trust – Bullet Brief.
3. Gift Aid form.

Distr:

HQ 8 Engr Bde

HQ 12 (Air Sp) Engr Gp

HQ 29 EOD & Search Gp

HQ 170 (Infra Sp) Engr Gp

HQ JAGO

Capability Directorate Close Support (Mil Eng) – For Col RE Res

RHQ RE

CO 23 Engr Regt (Air Asslt)

CO 24 Cdo Engr Regt

CO 28 Engr Regt

CO 33 Engr Regt (EOD)
CO 101 Engr Regt (EOD)
CO 42 Engr Regt (Geo)
CO RMonRE(M)
CO 71 Engr Regt (V)
CO 72 Engr Regt (V)
CO 73 Engr Regt (V)
CO 75 Engr Regt (V)
CO 65 Wks Gp RE(V)
OC 131 Indep Cdo Sqn RE(V)
OC 135 Geo Sqn RE(V)
OC 299 Para Sqn RE(V)
OC 591 Fd Sqn RE(V)

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HQRE 3 DEG
Comdt RSME
SO1 RE Sldrs APC
SO1 RE Offrs APC
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CO 26 Engr Regt
CO 32 Engr Regt
CO 35 Engr Regt
CO 36 Engr Regt
CO 38 Engr Regt
CO 39 Engr Regt
CO Wks Gp RE(A)
COS APC – MS Reserves

Enclosure 1 to
RHQ RE / 04_04_02_05
Dated 14 Mar 14

RE RESERVES PAYROLL GIVING SCHEME - RATES

Rank	Level	Daily Rate	X40	÷365	Rounded to nearest £1
Col	L4	233.92	9,356.80	25.64	26.00
Lt Col	L4	193.51	7,740.40	21.21	21.00
Maj	L4	142.46	5,698.40	15.62	16.00
Capt	L4	113.84	4,553.60	12.48	12.00
Lt	L7	84.34	3,373.60	9.25	9.00
2Lt	L3	52.96	2,118.40	5.81	6.00
WO1	L5	115.91	4,636.40	12.71	13.00
WO2	L7	106.24	4,249.60	11.65	12.00
SSgt	L4	98.77	3,950.80	10.83	11.00
Sgt	L4	88.57	3,542.80	9.71	10.00
Cpl	L4	80.98	3,239.20	8.88	9.00
LCpl	L9	67.29	2,691.60	7.38	7.00
Spr	L4	55.62	2,224.80	6.10	6.00

Notes:

1. All ORs rates as taken from the Lower Level salary table.
2. Published annual rates of pay wef 01 Apr 13.

RE CONTRIBUTIONS TO THE RE CENTRAL CHARITABLE TRUST

What is the RE Central Charitable Trust (RECCT)?

- RECCT is a registered charity, registered with the Charity Commission.
- RECCT trust deeds specify the charities objectives and how income can be used.

Who controls the RECCT?

- Chief Royal Engineer presides over the elected Trustees, who collectively form the Chief Royal Engineer's Committee. Trustees authorize expenditure from the RECCT.
- All accounts are audited by Chartered Accountants. Trustees provide an annual report with a statement of financial activities to the Charities Commission.

What are the RECCT's funds used for?

The Trust supports the following:

- Benevolence provided by the RE Association accounts for 50% of annual Payroll Giving Scheme (PGS) income.
- RE sports, games and adventure training.
- The production and distribution of Sapper Magazine.
- The RE Museum.
- Esprit de Corps activities.
- Grants for a wide range of miscellaneous activities including support to units deploying on ops.

How is the RECCT funded?

- Income from investments.
- Donations from sponsors, legacies and individual fund raising activities.
- Contributions from serving Regular officers and soldiers are made through JPA Payroll Giving Scheme (often referred to as the Days' Pay Scheme)⁴
- Contributions from Reserves officers and soldiers.

What is the Reserves contribution and what are the potential benefits?

- Reserves contributions, like Regular contributions, are individual and voluntary.
- Trustees have agreed the appropriate, rank-ranged, benchmark contribution from Reserve personnel which is shown at Annex A. Sappers will contribute £6.00 per annum.
- Reserve soldiers have the same right as Regular soldiers to seek welfare and benevolence grants, where justified, which are assessed on the basis of need. In 2013 more than £6,600.00⁵ was distributed in benevolence to Reserve personnel.

⁴ Serving officers contribute 230%, WOs & SNCOs 125% and soldiers 120% of a days' pay per year through PGS.

- RE Reserve personnel benefit collectively from expenditure in other areas (Sapper Magazine, RE Museum, Esprit de Corps activities, Operational Tour grants etc).
- Subject to a minimum contribution of £36.00, those contributing to RECCT are entitled to Life Membership of the RE Association.

How is the contribution to be collected?

- Reserve personnel cannot yet contribute to RECCT through 'Payroll Giving' due to JPA constraints. It has therefore been necessary to adopt a unit collection process for Reserve personnel.
- Giving can be 'gift aided, using the form at Enclosure 1, so that tax can be reclaimed (where appropriate) by RECCT.
- Nominal rolls and sub unit contributions should be submitted through unit RHQs to enable consolidation prior to a single cheque / bank transfer payment to Corps Funds at RHQ RE.

⁵ This included white goods, general expenses (e.g. food, winter clothing), house repairs, accommodation and rent, priority arrears and mobility equipment. In 2013 the REA also made donations, for the benefit of all, to: ABF (£35K); SSAFA (£7.5K); Combat Stress (£2.5K); Veterans Aid (£2.5K).

GIFT AID DECLARATION

Name of Charity: ROYAL ENGINEERS CENTRAL CHARITABLE TRUST
Registered as a Charity No: 1003032

Details of Donor (in capitals)
Title:Forename(s):Surname:
Address:
.....
.....Post Code:

I wish the charity to treat all gifts of money that I have made in the past four years, and all future gifts of money that I make from the date of this declaration, as Gift Aid donations, until I notify you otherwise.

Signature: Date:/...../.....

Notes:

- 1 If your declaration covers donations you may make in the future:
 - please notify the charity if you change your name or address while the declaration is still in force.
 - you can cancel the declaration at any time by notifying the charity it will then not apply to donations you make on or after the date of cancellation or such later date as you specify.
- 2 You must pay an amount of income tax and /or capital gains tax at least equal to the tax that the charity reclaims on your donations in the tax year (currently 25p for each £1 you give).
3. If in future your circumstances change and you no longer pay tax on your income and capital gains equal to the tax that the charity reclaims, you can cancel your declaration (see note 1).
4. If you pay tax at the higher rate you can claim further tax relief in your Self Assessment tax return.

5. If you are unsure whether your donations qualify for Gift Aid tax relief, ask the Charity. Or you can ask your local tax office for leaflet IR113 Gift Aid.