



REA Annual General Meeting Agenda

Oct 7th 2023 1:30pm - 2:30pm

Victory Services Club and online

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PIN: 35708876#

1. GENERAL MEETINGS

The overall affairs of the Association shall be governed by resolutions passed at General Meetings of the Association.

The Board will be responsible for putting into effect resolutions passed at Annual General Meetings.

The Association shall hold a General Meeting in every calendar year, which shall be the Annual General Meeting.

All other general meetings shall be Extraordinary General Meetings.

Extraordinary General Meetings may be convened by the Board or on the requisition of not less than ten registered Branches of the Association.

At least one month's notice shall be given of every General Meeting, specifying the day, time and place of such meeting and, in the case of special business, the general nature of the business, by publication in '*The Daily Telegraph*', '*The Supplement to the RE Journal*', '*The Sapper*' and by notifying Branches by post.

A requisitioned meeting shall be held not later than seven weeks after receipt by the Chief Executive REA of the Association of the appropriate requisition.

The accidental omission to give notice of a general meeting to any member shall not invalidate any resolution or proceedings of such a meeting.

Agenda

Business at General Meetings shall comprise:

- a. Ordinary Business.

b. Special Business.

Ordinary Business shall comprise:

a. Approval of the minutes of the last meeting.

b. Consideration of the income and Expenditure Accounts and the Balance Sheet of the Association.

c. Reports of the Board and its committees and the auditors.

d. Appointment and remuneration of auditors

All other business transacted at the Annual General Meeting and all business at an Extraordinary General Meeting shall be special business.

The provisional Agenda for the Annual General Meeting shall be considered by the Management Committee at the July meeting, taking note of propositions by Branches, and forwarded to the Board for endorsement. The final Agenda shall be sent to Branches with the Annual General Meeting papers.

Attendance

All members of the Association are entitled to attend General Meetings.

Each registered Branch and the Headquarters Branch of the Association is entitled to elect and nominate one of its members as a delegate to General Meetings of the Association, with full voting powers (referred to hereinafter as Branch Delegates).

Members held on the strength of the Headquarters Branch but attached to another Branch may represent that Branch as a Branch Delegate.

Names and addresses of Branch Delegates shall be sent by Branches to the Chief Executive REA as follows:

a. Annual General Meetings - 7 days before the meeting

- b. Extraordinary General Meetings - 2 days before the meeting

Refer to Rules 8.15 and 8.19

A quorum for General Meetings comprises twenty-five members and shall include not less than six Branch Delegates.

The President of the Association, or in their absence, the Chair of the Association or the Deputy Chair, shall preside at General Meetings. If all three are absent, members present shall choose some member of the Board to take the chair.

If within half an hour of the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of branches, shall be dissolved. In any other case it shall stand adjourned for seven days. If at such an adjourned meeting a quorum is not present within half an hour of the appointed time, the members present shall constitute the necessary quorum.

The Chair may with the consent of any meeting at which a quorum is present adjourn the meeting to an alternative time or place. However, no business shall be transacted at the adjourned meeting other than that which should have taken place at the meeting that was adjourned.

When meetings are adjourned for thirty days or more, notice shall be given in the same manner as for the original meeting.

Motions

Any member of the Association shall be entitled to speak at General Meetings but if they are not a Branch Delegate shall so indicate to the meeting and shall **not** be entitled to vote on matters of special business.

Every motion shall be moved through the Chair.

When rising to speak on a motion a member shall first state their name and branch.

Discussion on a motion or amendment shall not be permitted until it has been moved and seconded.

The mover of an amendment has no right to reply unless their amendment becomes the substantive motion.

Motions or amendments once made can be withdrawn only with the consent of the Secunder and of the meeting.

Urgent business not on the agenda may, with the consent of the Chair, be admitted at an Annual General Meeting provided the Conference considers the motion a matter that cannot wait for the next Annual General Meeting.

Voting

In respect of ordinary business, each member attending a General Meeting shall have one vote.

In respect of special business each member of the Board and each Branch Delegate only shall have one vote.

Voting shall be decided by a majority vote except that in proposals affecting the provisions of the Deed of Declaration of Trust or of the Rules, a majority of not less than two-thirds of those present and entitled to vote shall be required

In case of equality of votes, the Chair shall be entitled to a second or casting vote.

No proxy votes are permitted.

Voting shall be decided by show of hands unless a poll is demanded by the Chair or by at least ten members present entitled to vote on the motion.

Unless a poll is taken, a declaration by the Chair that a motion has been carried, or carried by a particular majority, shall be accepted as evidence of the fact.

A poll, if demanded, will be taken at such time or place and in such manner as may be decided by the Chair.





The demand for a poll shall not prevent the continuance of the meeting for the transaction of other business other than that for which the poll is taken. The demand for a poll may be withdrawn.

Two scrutineers shall be appointed at General Meetings, in which polls are involved, to collect ballot papers, count votes and declare results.

Minutes

Minutes of the proceedings of all General Meetings and Committee Meetings shall be published within three months of the meeting and distributed to all Branches as

appropriate.

- | | | |
|---|--------------------------------|--------|
| 1. Presidents Introduction | Alastair Dickinson | 1:30pm |
| 2. To confirm the Minutes of the 54rd Annual General Meeting held on Saturday 8th October 2022 | Alastair Dickinson | 1:35pm |
|  15102022 Minutes of the 54th REA AGM 081022.pdf | | |
| 3. Matters arising from the Minutes of the 54th Annual General Meeting
No Matters Arising | Alastair Dickinson | |
| 4. To receive the Annual Report and Financial Statements for the REA for the period 1 January to 31 December 2022 | Alastair Dickinson
Ken Kirk | 1:45pm |
|  2023 Annual report[109262].pdf | | |
|  2022 Signed Financial Statements - REA[109227].pdf | | |
| a. Honorary Treasurers report | Ken Kirk | 1:45pm |
|  Honorary Treasurer - Report to REA AGM 2023[109271].pdf | | |
| 5. To note the appointment of Kreston Reeves LLP (formerly Reeves LLP), as the Auditors of the Association
159Appointment and remuneration of auditors.
(1)Every company shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that, until the conclusion of the next, annual general meeting. | Alastair Dickinson | 2:00pm |

<p>6. Appointment of Honorary Treasurer Appointment of Honorary Treasurer - Appointed by election at the Annual General Meeting or appointed/co-opted by the Board of Trustees.</p>	Alastair Dickinson	2:05pm
<p>7. REA Update to AGM</p>		
<p>8. Benevolence Report See slides</p>	Nick Gunnell	2:10pm
<p>9. AOB If there are any questions from the floor you are invited to raise them now, please stand give your name and question.</p>	Alastair Dickinson	2:20pm
<p>10. Date of next meeting – Corps Memorial Weekend 2024 14th September 2024 to be held in the Auditorium in Brompton Barracks</p>	Alastair Dickinson	2:25pm
		END 2:30pm

The Royal Engineers Association

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

Patron: HER MAJESTY THE QUEEN



All correspondence to:

The Chief Executive
RE Association
Brompton Bks
CHATHAM
Kent
ME4 4UG

Telephone: 01634 847005
Website: www.reahq.org.uk
Email: chiefexecrea@rhqre.co.uk

All Board Members
All Management Committee Members
All Group Secretaries
All Branch Secretaries
Chief Executive REA
Corps Treasurer

11 October 2022

THE MINUTES OF 54th ANNUAL GENERAL MEETING OF THE ROYAL ENGINEERS ASSOCIATION HELD AT THE VICTORY SERVICES CLUB AND ONLINE SATURDAY 08 OCTOBER 2022

Item 1 OPENING REMARKS

1.1 The Annual General Meeting was opened at 16:00hrs by the Chair of the Association Brig (retd) Andrew Craige OBE, who welcomed all those present and thanked them for attending; he made special mention of those who had travelled long distances. He noted that there were 49 attendees at the AGM: including 7 Trustees, 4 in person and 3 online. 7 Branch delegates online, 2 Group directors in person, 6 Deputy Group Directors in person and 2 Group Secretaries in person. The Chairman thanked all attendees who had managed to get to the meeting despite a national rail strike, and climate protesters gluing themselves to the roads at Hyde Park.

1.2 Apologies for absence had been received from:

- Maj Gen (retd) Alastair Dickinson CBE
- Mark Ruddy
- Larry Inge
- Colin Basnett
- Claire James

1.3 The Chairman drew the meetings attention to the Annual Report and thanked the REA HQ team for their work in producing a document of such a high standard.

The CEO explained that the Annual report was available online and that all RE Units and Branches would receive hard copies by mail in the coming week.

1.4 In order to ensure correctness of the records, the Chair asked that all microphones were turned other than that of the speaker to ensure that all attendees could hear and prevent interference.

1.5 The Chair outlined the boards aims for the Association to become an Association of Aspiration seeking to expand beyond our primary functions of providing benevolence and camaraderie. In addition to this primary function, we will enable young soldiers to access sport, adventure training, and other opportunities, this will help us down range to deliver help as we involve more members of the Sapper Family.

Item 2 - To confirm the Minutes of the 53rd AGM held online on Friday 08th October 2021

2.1 The Chair emphasised that this Item was dealing only with the accuracy of the Minutes. The document had widely circulated, and HQ REA had not received any comments or proposed amendments. As we were online, we will not do votes however if an individual has a point, they may identify themselves and raise the point. There were no comments from the floor.

Proposal: That the Minutes of the 53rd AGM be accepted

Proposer: Mike Payne, Deputy Group Director

Seconder: Mal Forder, Deputy Group Director

Carried

Item 3 - Matters Arising from the Minutes of the 53rd Annual General Meeting.

3.1 No Matters arising

Item 4 – To Receive the 2021 Annual Report

4.1 The Chair invited the CEO Ken Kirk to present the financial report which can be found at annex A and Annex A appendix 1

The CEO explained that our finances were in a sound condition and that our income streams remained secure with contribution from investment, days pay scheme and legacy continuing to provide funds that enabled us to support the Sapper family in many ways from benevolence, welfare support, sport, adventure training, facilities, and elite sports.

The Chair invited questions on the accounts, there were no questions from the floor.

ITEM 5 – To note the appointment of Kreston Reeves LLP (Formerly Reeves LLP) as the Auditors of the Association

5.1 The Chair advised those assembled that the responsibility for appointing auditors to the Corps charities rests with the Chief Royal's Committee. At the last Chief Royal's Committee meeting, Kreston Reeves LLP were approved as auditors of the Corps' charities and the REA Board of Trustees.

Item 6 - Appointment of Honorary Treasurer 2021/22

6.1 The Chair asked the delegates to support the appointment of Col (ret'd) Mark Ruddy as Honorary treasurer. This was agreed.

Proposal: That Col (ret'd) Mark Ruddy is appointed as REA Honorary Treasurer for 2023

Proposer: Eric Hargreaves, Trustee

Seconder: John Ettles, delegate Highland Branch

Carried

Item 7.0 The Chair invited Operations Manager Iain George to present the Benevolence Report.

Iain George delivered a presentation on benevolence in 2021 see Annex B

Item 8.0 Assistance Dog Brief

The Chair invited Neil Marshall and his assistance dog Arbhair to provide the meeting with an insight to the use and provision of assistance dogs in the treatment and support of those suffering with PTSD. Neil explained how he had become involved in securing the recognition of assistance dogs, the process of training and registration for dogs and some of the barriers he had to overcome.

The Chair thanked Neil for his excellent presentation and for the excellent behaviour of Arbhair.

Item 9 Corps Update

Corps SM Marc Elliott gave a detailed update on the current deployments and activities of the Corps

The Chair thanked the Corps SM for his excellent and comprehensive report on the Corps

Item 10 – Date of next meeting 07 Oct 2023 AGM and annual dinner at the VSC

Item 11 Closing remarks from Andy Craig, Chair REA

11.1. The Chair thanked the delegates for attending the meeting despite the obstacles that the rail strike had placed in their way and the work of all the branches over the past year. He thanked the staff at REA HQ for preparing and organising the meeting and the VSC for their support in facilitating the meeting.

Annex A

Honorary Treasurers Report to the AGM

Annex A appendix 1

REA presentation AGM presentation 2022

Annex B

Benevolence Presentation to the AGM

Kenneth Kirk

07 October 2023

Chief Executive REA
Mr Kenneth Kirk

Minutes Approved

Dated 07 October 2023

Maj Gen (retd) Alastair
Dickinson CBE

Annual Report 2022



**ROYAL
ENGINEERS
ASSOCIATION**



THE SAPPER CHARITY



SAPPERS NETWORK



The Sapper Shop



The Institution of Royal Engineers

Officers' Mess





Introduction

2022 in Numbers	4	Gibraltar 250	16
Benevolence Funds	6	Our People	18
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Contents



Welcome to this year's Royal Engineers Association Annual Report, yet again expertly pulled together by the CEO, Ken Kirk, and his team. I am delighted to see the plans and ideas discussed between the Board and REA Headquarters being put into place. Plans which look to see the REA evolve into an Association not only supporting those in need but increasingly to add colour, vibrancy and opportunity to Sappers and their families, serving or veteran. The incredibly generous legacies donated this year will fund specific opportunities. For example, The Ballard Fund, set up from a single legacy and described within, this year supported Cpl Jack Jarvis RE as he rowed single handed from mainland Europe to mainland USA - the first person ever to do so. Other legacies will support significant annual events, potentially major overseas tours for sports teams, individual or collective adventurous feats. The Board is now looking to see how additional funds can be generated to do even more in this space! Talking of the Board, I am, as always, extremely grateful to the Trustees for their time, energy, insights, and willingness to accept the responsibility of being a Trustee. Sadly, three trustees retire this year:

- Brigadier (Retd.) Andy Craig OBE - Andy has been the Vice President, Chair and chaired the Benevolent Committee, serving the REA for almost 15 years. Setting aside the sage words, guidance and support he has given both me and the Board during his time, I am entirely confident that those in need, of whom the REA has been aware, have received the support they have due to Andy's significant efforts.
- Lt Col (Retd.) Larry Inge - Larry has served the Corps for almost 60 years - indeed Larry will not be pleased to read here that he won the BAOR Regimental dinghy sailing competition in the year I was born!
- Mr Eric Hargreaves - Eric is another almost 60-year internee and has served the REA in many different guises some simultaneously - REA Council Trustee, Group representative, local branch member and so on.

I should not dwell here on them but suffice it to say, I hope to bid them a fond farewell with a few words at the AGM dinner this autumn.

Of course, the running of the REA could not be possible without the dedication of those in REA Headquarters and I thank Ken, Iain, Rod, Ann, Fiona, Julia, and Matt and not forgetting the second Ian our treasurer.

Major General A S Dickinson CBE





It is truly inspiring to see the Royal Engineers Association's dedication to serving its members and the wider Sapper Family. The progress made in various areas such as Benevolence and Welfare support, website development, app development, and unit and branch support grants demonstrate the organisation's commitment to continuously improving its services and outreach.

The acknowledgement of the challenges faced by local branches and the benevolence system during the pandemic reflects a deep understanding of the importance of maintaining connections with veterans, families, and serving Corps members. The role of individual volunteers cannot be overstated, as they play a critical part in providing outreach and support to members of the Association.

The success of gatherings and events in 2022, particularly the Gibraltar 250 celebration, highlights the unity and strength within the Association. It is heartening to see the combined efforts of the team in Gibraltar, as well as serving and veteran members, contributing to such memorable occasions.

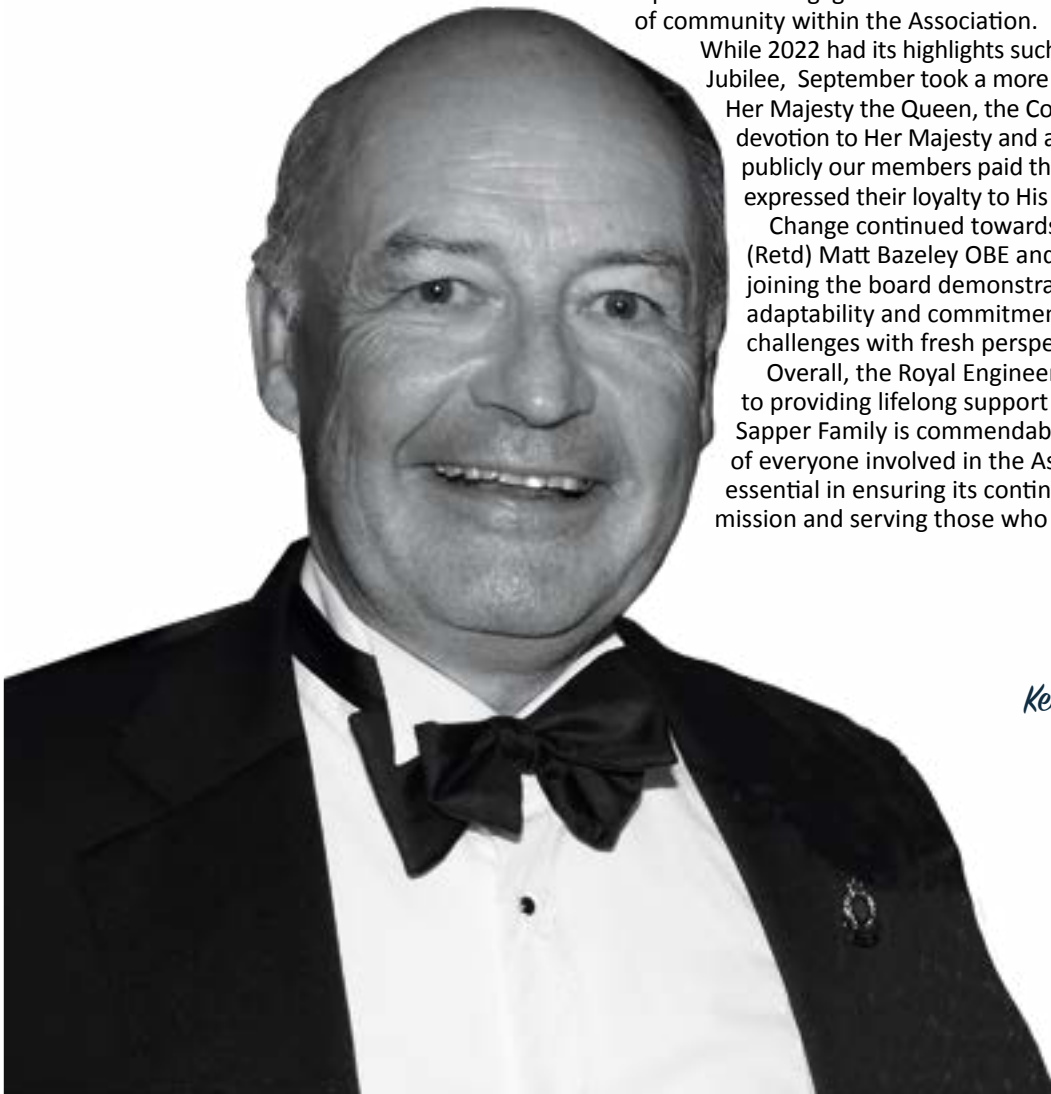
Mission Activate is an excellent initiative to encourage membership and ensure the Association's continued growth. Providing grants for recruitment events and branch mergers is a strategic step in fostering a strong and connected community within the Sapper Family.

The launch of the new website in 2022 and the upcoming introduction of Sappercom in 2023 are exciting developments that will undoubtedly enhance communication and connection among members. Creating a thriving online platform to engage and interact will further strengthen the sense of community within the Association.

While 2022 had its highlights such as the Queens Platinum Jubilee, September took a more sombre turn with the death of Her Majesty the Queen, the Corps demonstrated publicly our devotion to Her Majesty and across the country privately and publicly our members paid their respects to our patron and expressed their loyalty to His Majesty the King.

Change continued towards the end of the year with Brig (Retd) Matt Bazeley OBE and Lord Lancaster of Kimbolton, joining the board demonstrating the Association's adaptability and commitment to embracing new challenges with fresh perspectives.

Overall, the Royal Engineers Association's commitment to providing lifelong support to its members and the wider Sapper Family is commendable. The collective efforts of everyone involved in the Association are valued and essential in ensuring its continued success in fulfilling its mission and serving those who have served.



Ken Kirk

£96,443.22

Legacies and Donations

508

**Individuals assisted with
Benevolence Support**

£51,000

Talented Athletes Sports

£445,800

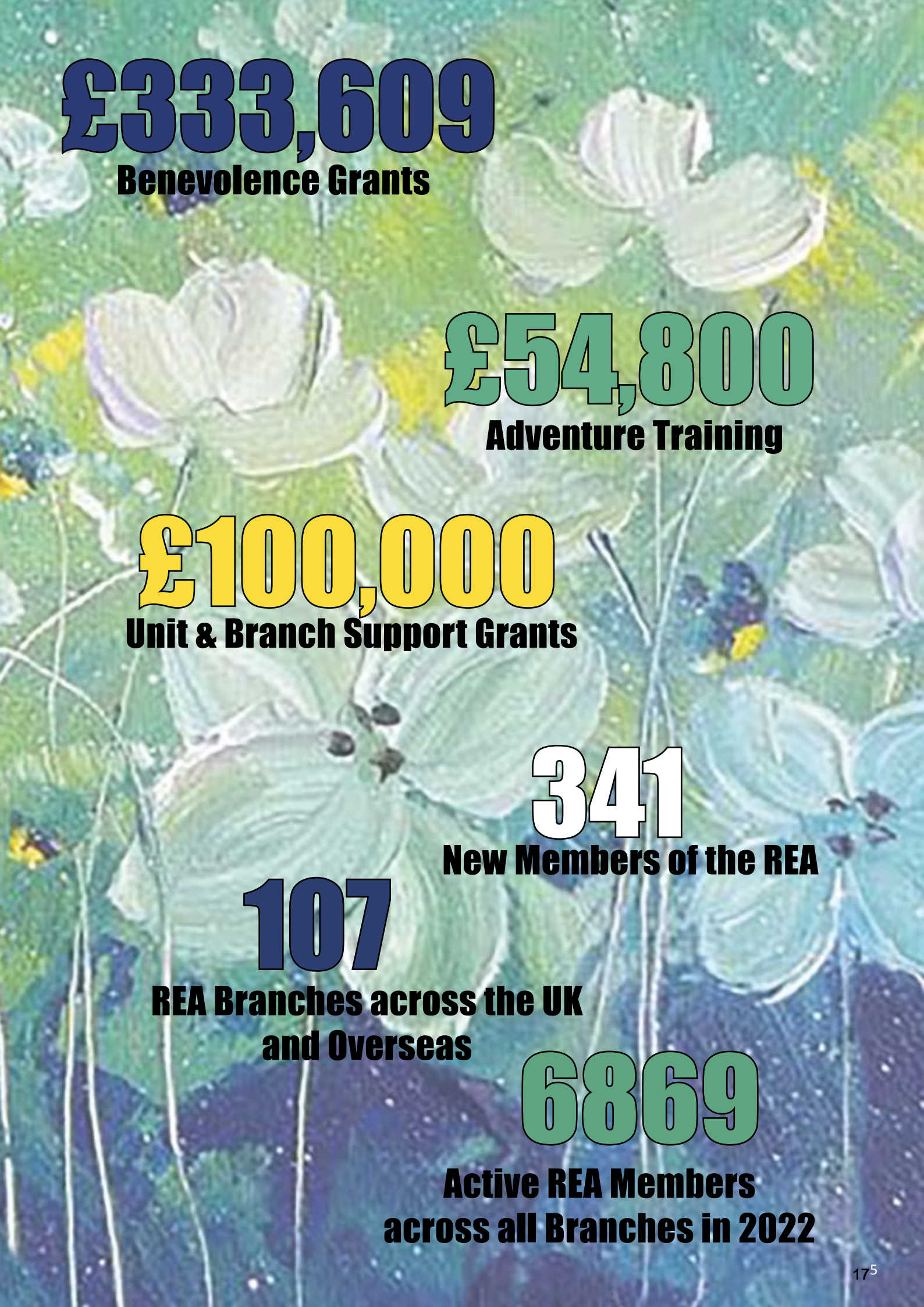
Corps Activities

£240,000

RBLI Aylesford

1

New Branch in 2022



£333,609

Benevolence Grants

£54,800

Adventure Training

£100,000

Unit & Branch Support Grants

341

New Members of the REA

107

**REA Branches across the UK
and Overseas**

6869

**Active REA Members
across all Branches in 2022**

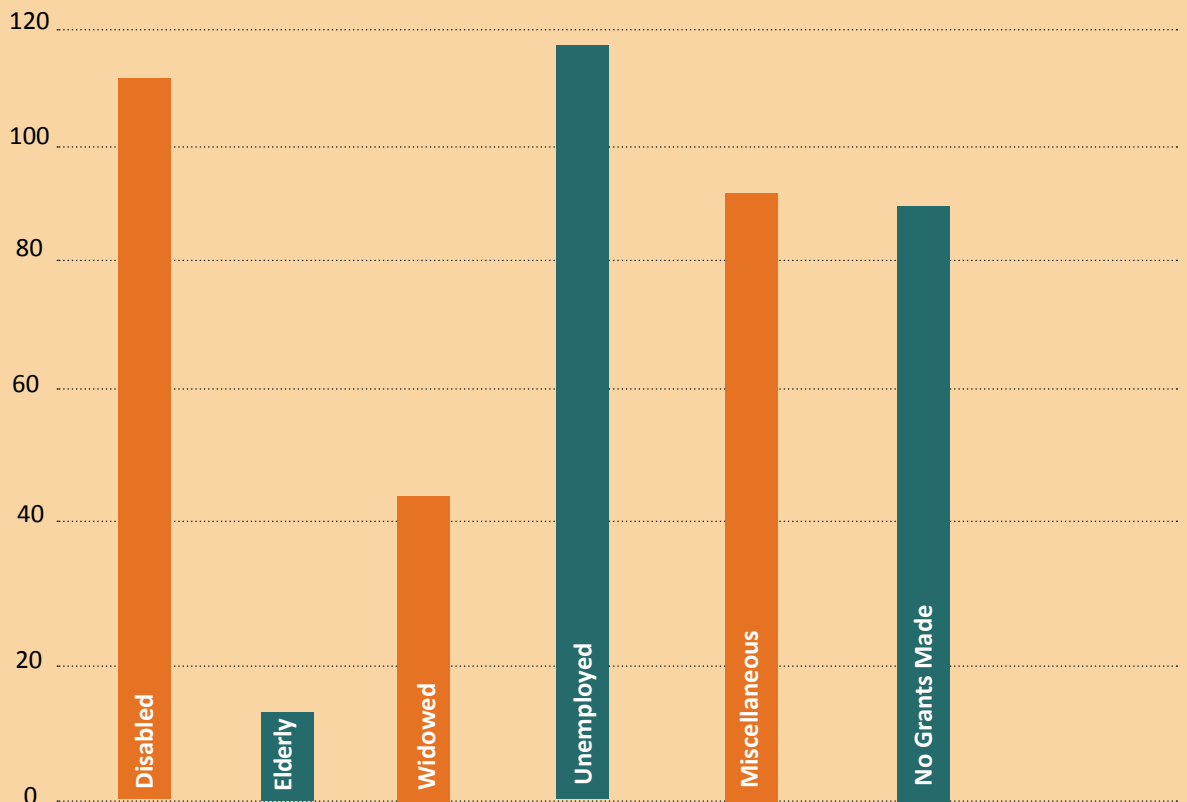
REA Benevolence aims to provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers and dependants who are in need through poverty. Benevolence should be seen as ‘a hand up, not a hand out’.

The REA receives cases to be considered for assistance, mainly through The Royal British Legion and SSAFA, although a small amount of cases are received through Unit Welfare Officers to support serving soldiers and their families.

In addition to assistance provided for specific situations, the REA also supported an average of 48 former Sappers or their widows through the provision of an annual annuity. Furthermore, 165 individuals received a Christmas Grant from the REA in 2022.



Benevolence Cases 2022 by Category



Regular Cases 2022 342
Reservist Cases 2022 23

Christmas Grant 2022 £3270
Reservist Grants 2022 £11,504 2022

Annuity amount 2022 £107,380
Regular Grants 2022 £199,951

Total £110,650
2022 Total £222,959

Cost of Benevolence Cases Jan to Dec 2022

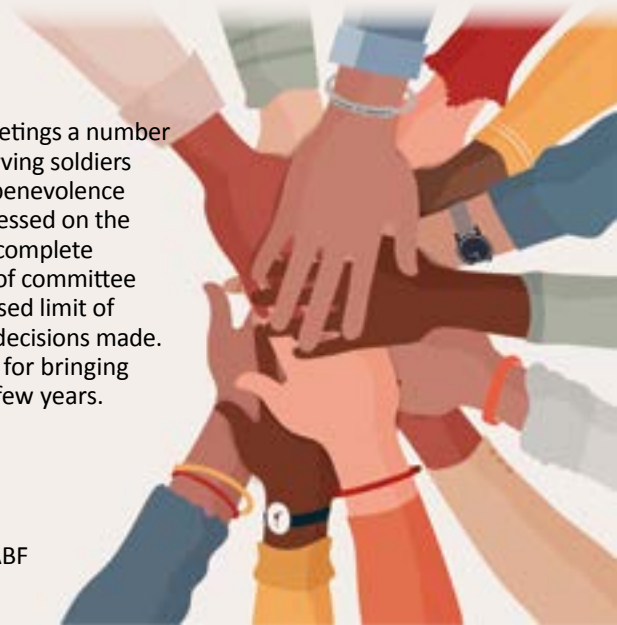
For the period 1 Jan – 31 Dec 2022 the number of benevolence cases submitted to the Association by SSAFA, The Royal British Legion and other organisations was 453, this is 53 cases more than for 2021 (400 cases). Of these 453 cases, 207 were submitted by SSAFA and 126 by TRBL; these figures are comparable to the same period in 2021.

The unaudited amount spent on benevolence cases for the period 1 Jan – 31 Dec 2022 was £211,445. This is £17,118.90 less than the same period in 2021. There was an increase in reservist grants with a rise of 237% over the previous year with the number of reservist cases increasing by 150% over the previous year.

It has been agreed to maintain the Benevolence budget at £300,000 for 2023.

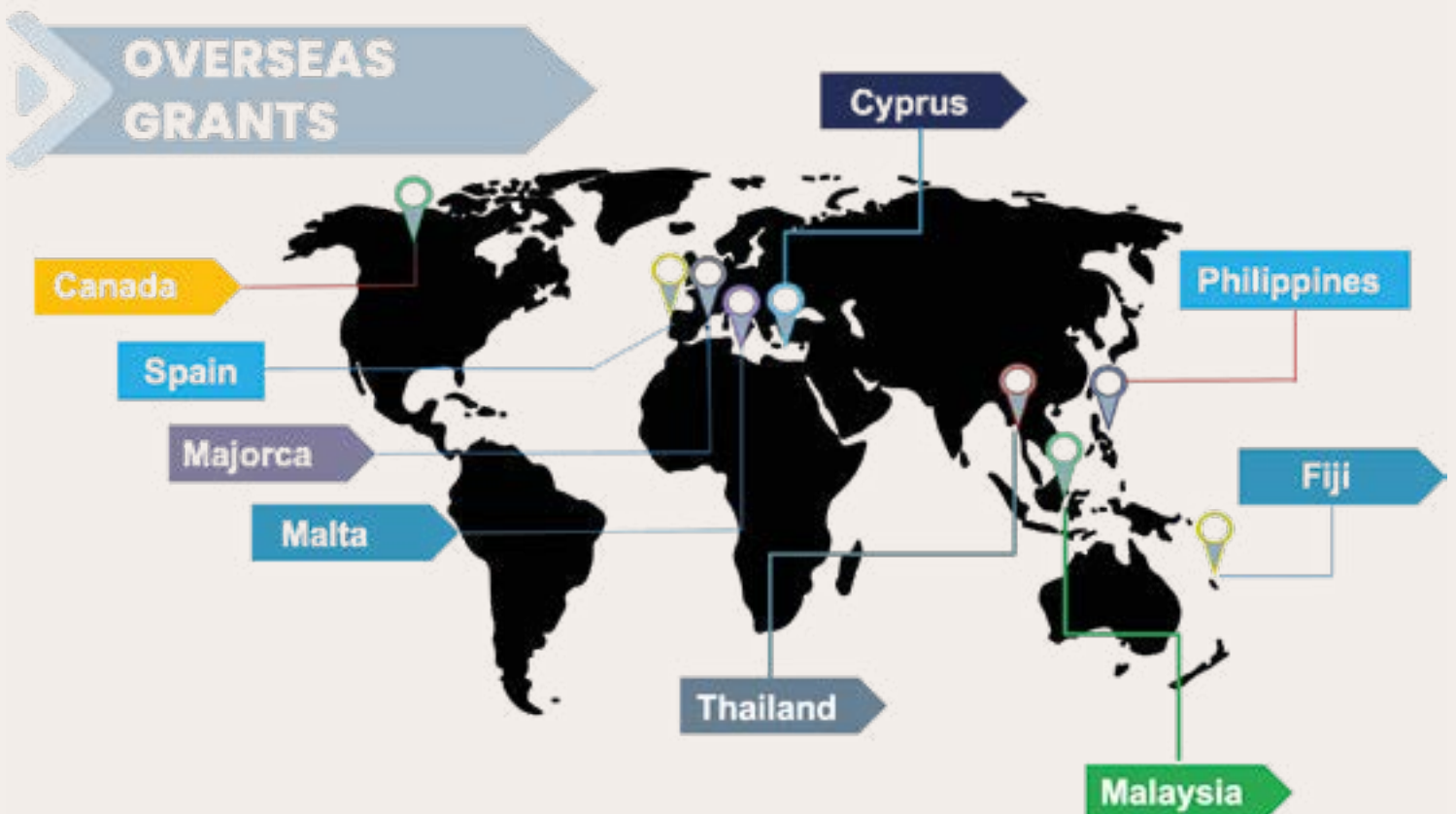
Benevolence Committee Meetings

The benevolence committee met on four occasions in the past year. During these meetings a number of observers are invited from Units across the Corps this gives the opportunity for serving soldiers of all ranks to see the work of the REA and to contribute to the discussion regarding benevolence grants. There continues to be no limit to the level of an individual grant these are assessed on the basis of the individual need. Provided the information supplied by the caseworker is complete then decisions on grants can be made quickly and processed within a week. The out of committee procedures are now well established and grant requests that exceed the CEO authorised limit of £1000 can be quickly circulated to the members of the benevolence committee and decisions made. Further work is being undertaken by a working group established to assess options for bringing more of the REA reserved funds into use for benevolence assistance over the next few years.



Grants to Charities

At the last meeting of the Board, the trustees agreed that with effect the grant to ABF would be increased from £60k, the grant to SSAFA would be increased from £30k.



REA Gabriel Fund

The Gabriel Fund is be paid and applied at the discretion of the REA Board of Trustees to provide assistance in the form of grants, donations or periodical allowances to past and present members of the Corps and their respective spouses, widows, widowers or dependants who may be deserving for training needs.

In 2022, two people received continued funding for training needs through the Gabriel Fund. Both are re-training as commercial pilots after sustaining life-changing injuries.

Application for the Gabriel Fund should be made to the Chief Executive REA. chiefexcrea@rhqre.co.uk



Ballard Legacy Fund

The Ballard Legacy Fund will be used to award funds to those undertaking 'extreme' adventure training within the Corps of Royal Engineers. Application for the Ballard Legacy Fund should be made to the Chief Executive REA chiefexcrea@rhqre.co.uk



We're grateful to the Ballard's for their generous gift, and we hope others will choose to make it their legacy to support our work. For generations, the REA has supported the sapper family. Serving, veterans and their loved ones, we are dedicated to your welfare for many generations to come. By remembering the REA in your will, you leave a legacy to everyone in the sapper family.

Your past. Their future. Our sapper family.

Visit the REA website to find out more:

www.reahq.org.uk/wp-content/uploads/2017/11/corps-legacy-guide.pdf

REA Kitchener Fund

The object of the charity is to promote the education of qualifying dependant of members and former members for the Royal Engineers by such charitable purposes as the trustees shall from time to time think fit.

Qualifying dependant means children, step children and adopted children under the age of 25 who are in need by reason of ill health, disability, financial hardship or some other disadvantage.

In 2022, the REA supported 11 individual dependants through the Kitchener Scholarships Fund.

Applications for support from the Fund should be submitted to HQ REA on the form obtainable on the REA website

www.reahq.org.uk/families/





On the 13th May 2022 Maj Gen (Retd) Alastair Dickinson CBE President of the REA presided at a ceremony in Cassino, Italy to mark the completion of the Amazon Bridge Memorial commemorating the crossing of the River Rapido on 13 May 1944 by the Royal Engineers... The memorial was designed and built by a dedicated team of incredible Sapper Veterans and volunteers mainly from 7 Fd Sqn RE consisting of George Cowie BEM, Henry Day, Ian Singleton, Ron Gilleard and Chris Ellis. The ceremony was attended by veterans and families of those who built the bridge in 1944 including Elizabeth Hobson daughter of Lt Hobson OC of 7 Fd Coy and bridge commander during the build.

Thanks must also go to Lt Col Pierpaolo D'aleiso of the Italian Army and Adventure Cassino without whom the project to build the Amazon Bridge memorial could not have been completed.



The aims of the Association are to promote and support the Corps of Royal Engineers among our members, by fostering esprit de corps and a spirit of comradeship and service, and by maintaining an awareness of Corps traditions. The Association also acts as a link between serving and retired members of the Corps. It also provides financial and other assistance to serving and former members of the Corps, their spouses, widows and dependants who are in need. Grants, within Association guidelines, are made to the Army Benevolent Fund and to other charities that further the objectives of the Association.

What We Do

Each year the Association considers hundreds of requests for assistance, and annual benevolence grants in meeting these requests is in the region of £300,000. It's not only serving personnel that are considered for assistance. Most of our cases are from the retired service community and their families.

Vision

Our vision is to ensure that all members of the sapper family have access to comradeship and support that enables them to live full lives.

Mission

Our mission is to reach out to all members of the sapper family and provide support to those in need by maintaining the links between all serving soldiers, veterans and families.

Family

The sapper family is the focus of all our activities; we are fully committed to realising the welfare needs of our serving soldiers, veterans and families.

Respect

We respect the needs, experience and diversity of individuals and are committed to providing a compassionate and caring environment, where the contribution of everyone is valued.

Membership

Anyone who served in the Corps of Royal Engineers, Regular or Reserve, is eligible to join the REA. Those that contributed to the Day's Pay Scheme (DPS) can take up life membership free of charge.

Those that did not subscribe to the DPS will be required to pay a membership fee. The cost of life membership is currently £36, but there are age related concessions. You will be able to apply online at our website www.reahq.org.uk/membership/



Existing Members

You can update your details, such as your address via our website www.reahq.org.uk



Gift Aid

Did you know that you can make contributions to the Association through the gift aid scheme? If you are a tax payer, for every £1 you contribute, the Association gets a further 25p from the Government.

Existing Members

You can update your details, such as your address by logging in to the member's area on our website www.reahq.org.uk/membership/ You will need to register your account if you haven't already done so.

Spotlight On REA RIDERS

The REA Riders Branch was formed in 2022. Our aspirations are to share the common interest of being Sappers and riding motorcycles, collectively where possible on pre-organised ride outs locally and nationally whilst enjoying the banter and camaraderie of like-minded individuals.

The badge is worn on the back of our jackets when riding.

Interested in joining? Contact the Riders Branch

Secretary a.weir@blueyonder.co.uk

Associate Membership

Applications for associate membership can be made online at the REA website.

www.reahq.org.uk/. Once received, applications for associate membership will be approved by the receiving Branch and regional Group Director.

Thank You

I am writing on behalf of my parents to thank you for the financial support provided by the Royal Engineers Association. Without the support, my parents would have been forced to move into a bungalow and leave their home of 51 years. The financial support has meant I have been able to make the necessary adjustments to their home and this in turn has enabled them to remain in their home where they have support from family, neighbours and friends. . Ms M

Sappers Network was created in 2017 as the employment support service for the Corps of Royal Engineers, serving, veteran and reservist. It was originally set up as a commercial venture. In September 2019, ownership of the Network transferred to the REA charity and is now governed by our trustees.

Sappers Network's purpose is to help former sappers find employment and assist the transition process for Army leavers. We are engaged with a number of companies, ranging from national civil engineering to SMEs. We also partner with ex-military and technical recruitment agencies to find candidates for the opportunities they offer.

Have a look at our jobs board www.reahq.org.uk/jobs/
Contact 01634 847005 or email SappersNetworkREA@rhqre.co.uk

SAPPERS
NETWORK

Jobs



Sapper Sunday



Badge Of Merit Winners 2022 ★



(Announced in Jan 2023)



Mr K Smith
Mr R Andrews
Mr J Hawley

Lowestoft & District
Newton Abbott
North Wales

East Anglia Group
South West Group
North West Group



Charity Begins at Home



The attached photo shows Brian Lawes, Chairman of Swansea Branch presenting a cheque for £300 to Paula David – Young of Ty Olwen Hospice in Swansea. Ty Olwen gives specialised care to terminally ill patients and needs to raise £400,000 over and above its normal NHS funding each year. The backing singers are Roger Jones, Evan Goodman and Bryan Criddle. The money was raised by donations in lieu of giving each other a Christmas card. Guests of the Branch were invited to donate whilst at our Christmas lunch. Since this system was introduced the Branch has raised over £1,100 in five years. Not being a large branch we are quite pleased with our results.

The Eastern Group AGM was held at 21 Engineer Regiment on 30 Oct 21. This was the first meeting since the C19 restrictions were reduced, allowing many members from across the group to attend. All REA members that attended enjoyed the day, with the Wakefield Branch showing off their newly purchased gazebo which all group members can use. The meeting allowed the committees to discuss various topics, give branch updates and allow the Commanding Officer to give a Corps & Regt'l update. The meeting finished with a small afternoon social, allowing the branches to interact, discuss upcoming events and chat with the RSM and CO. With relationships re-established the group will grow from strength to strength, aided by the new Group Facebook Page which will assist in interoperability. A huge thank you goes out to all members that attended and look forward to meeting in the near future when the new CO (Lt Col P Bishop RE) takes over in Jan 22).

Our People



Happy 100th Birthday to John Humphreys

Happy Birthday Ernest



'Ernest William Smith served in the Royal Engineers from the 30 June 1937 – 6 September 1948. Throughout WW2 he served in Africa, Italy and Europe.

The 6 September 2022 was the Grand Occasion of his 100th Birthday and Sgt Pun, Spr Dickenson from 33 Engr Regt (EOD & S) and Brian Simm the National Standard Bearer from Cambridge Branch presented him with a certificate from the Chief Royal Engineer. All from the REA wished Ernest a Very Happy Birthday'.



Happy Birthday Stephen

REA Plymouth Branch were honoured to make a presentation from the CRE to Brigadier Stephen Goodall OBE MC at his 100th birthday party at his home in South Devon, with a large family in attendance to enjoy the moment. Brig Goodall's service pre-dates joining the Corps as, while still a student, he volunteered for fire watching and bused to Coventry during the blitz to assist in freeing those trapped in debris and recovery of those who had been killed. In Nov 1943, he commissioned into the Queen Victoria's Own Madras Sappers and Miners in Bangalore, where he saw action at the Battle of Admin Box during which the Japanese overran his headquarters resulting in hand-to-hand fighting. Wounded in action; a round struck his wrist watch, deflecting away from an artery in his arm. He was to be awarded the Military Cross whilst attached to the 62nd Indian Field Company, Indian Engineers for bravery during the crossing of the Irrawaddy River in Burma on 14th February 1945 and for several day's reconnaissance behind enemy lines. According to the official history of the Burma campaign this was the longest opposed river crossing in any theatre of war. In some places the crossing was in excess of 3,500 yards. Post war service with the Royal Engineers followed in Malaya where as a Captain he was awarded the MBE for services in Malaya. He served tours in BAOR and served two years in America as the British Liaison Officer in the United States Corps of Engineers, being awarded the OBE in 1967 and retiring with 31 years' service in 1973. *Maj T Harnett*



GIBRALTAR SESTERCENTENNIAL



Our People

THE FREEDOM OF GIBRALTAR
1772 - 2022





Forgotten

Steve Davies is a former soldier of 3rd Battalion, The Royal Green Jackets. In his spare time he cleans and where needed, renovates forgotten military graves. Four years ago he was attending a family christening in Sandhurst and wandered

outside. There was a dirty and overgrown war grave of an 18 year old Rifleman in the Rifle brigade (his antecedent regiment), killed six weeks before the 1918 Armistice. He went back the next day and sorted it out. The rest is history.

In the last five years, Steve has cleaned and renovated over 500 graves including 32 VC and eight war memorials. Steve works with a researcher, Jane Robinson, who uncovers the hero's story and seeks out any living relatives who they then make every effort to contact.

Steve is now a BRAMM accredited Memorial Mason.

In 2022, the Royal Engineers Association part funded Steve's work on the neglected grave of Sir Wilbraham Oakes Lennox (1830-1897) in Woodvale Cemetery, Brighton. This was Steve's 25th VC grave restoration.

Sir Wilbraham joined the Royal Engineers as a Second Lieutenant in 1848 after attending the Royal Military Academy, Woolwich.

The first part of his military service saw him serve in Ceylon (now Sri Lanka), and was promoted to Lieutenant in February 1854, just prior to the outbreak of the hostilities in the Crimea. He served throughout the Crimean conflict from 1854-1856.

On the 20th November 1854, at the Battle of Inkerman, following the attack on the Russian rifle pits led by Lieutenant Henry Tryon (who was killed) supported by Claud Bouchier and William Cuninghame (both awarded the VC for this action), Lieutenant Lennox and 100 men moved forward under heavy fire to support. Throughout the night, Lennox worked tirelessly to establish a lodgement in the rifle pit and assisting in repelling all the enemy counter attacks on the position throughout the following day. Lennox was awarded the VC alongside Bouchier and Cuninghame on the 24th February 1857. Alongside his VC, he was also mentioned in despatches in December 1855, received the Crimean Medal with two clasps, the 5th Order of the Medjidie and the Sardinian and Turkish Medals.

In 1857, he was embarking for the expected war in China, when he was re-routed from Singapore to the Indian Mutiny. On the march to Cawnpore, during fighting at Kknjwa on 1st November 1857, Lennox took command when his commanding officer, Captain Clarke was severely wounded. His leadership was noted on this occasion by Captain William Peel, RN (later VC). On 25th November 1857, Lennox was promoted to 2nd Captain. He then proceeded to Lucknow where he commanded the Royal Engineers under Sir Colin Campbell. Lennox would be mentioned in despatches for actions at Lucknow.





n Military Graves

Lennox and the 23rd Coy were then engaged with the Gwalior Contingent which was defeated at Cawnpore on 6th December 1857, and also in action at Futtegurh. In February 1858, the 23rd marched to Alumbagh under the command of General Outram, where Lennox acted as Field Engineer. Lennox assisted Brigadier General Napier in the main attack on the city. During the fighting, Captain Clarke was killed, and the command of the 23rd returned to Lennox. He was promoted to Captain and then Brevet Major. In September 1858, the 23rd took part in the last campaign of the Indian Mutiny, called the Trans-Gagra Campaign. Afterwards the company headed back to Lucknow. Lennox was mentioned in despatches four times for his actions in India, and was given the brevet of Lieutenant Colonel. He sailed from Calcutta for England on 25th March 1859.

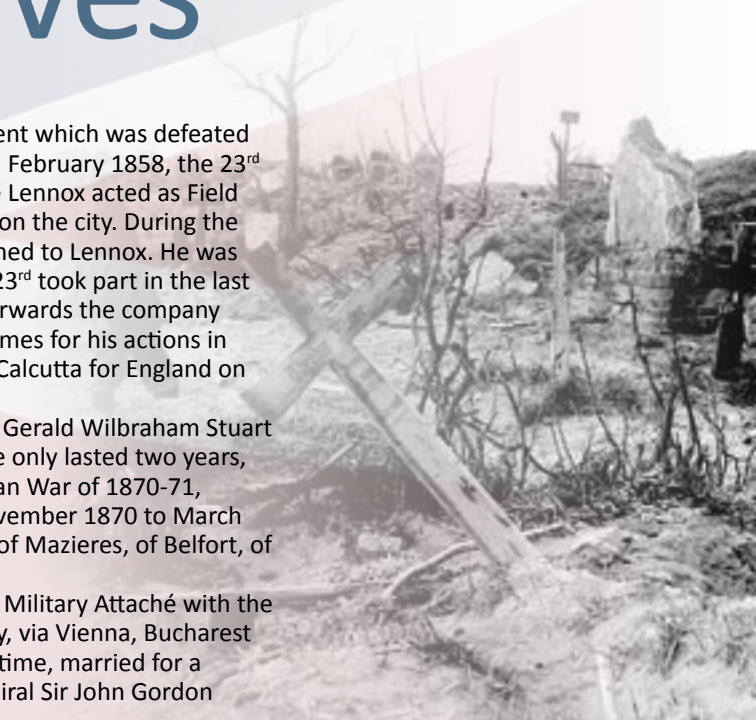
In 1861, he married Mary Harriet Harrison and they had two children, Gerald Wilbraham Stuart and Lilian Emily, though sadly Lilian died in infancy. Sadly, the marriage only lasted two years, as Mary died in 1863 following the birth of Lilian. In the Franco-Prussian War of 1870-71, Lennox was sent to accompany the German armies in France from November 1870 to March 1871. He was present at the Siege of Paris, when he was at Army HQ; of Mazieres, of Belfort, of Schletstadt, of New Breisch, and of Strasbourg.

In November 1876, Colonel Lennox was sent to Montenegro as British Military Attaché with the armistice on the Montenegrin Frontier. Thence he was sent into Turkey, via Vienna, Bucharest and Giurgevo, reaching Constantinople (now Istanbul). He had by this time, married for a second time to his second cousin, Susan Hay Sinclair, daughter of Admiral Sir John Gordon Sinclair, 8th Baronet of Caithness. They had five children: Charles Gordon Sinclair, Cecil George Pelham, Claud Henry Maitland, Louisa Edith and Cecilia Georgina Susan.

Lennox served in the Russo-Turkish War of 1868 as Military Attaché with the Turkish troops and received the Turkish War Medal in December 1876. He next proceeded to Bulgaria and remained there as Military Attaché during the Turco-Russian War of 1876-1878. From 1884 to 1887 he commanded the garrison at Alexandria, and during the Nile Campaign of 1884-85 he organised the landing and despatch of the troops, and the transmission of the Nile boats, stern-wheelers etc. for the expedition. While in the East he visited the Holy Land, and after leaving Egypt in 1887, commanded the troops in Ceylon until 1888, returning home via Australia and America. He was knighted in 1891. He then became Director of Military Education from 1893-1895. Lennox died at his home in Chester Square, London on 7th February 1897 after a short illness and was buried in Woodvale Cemetery.

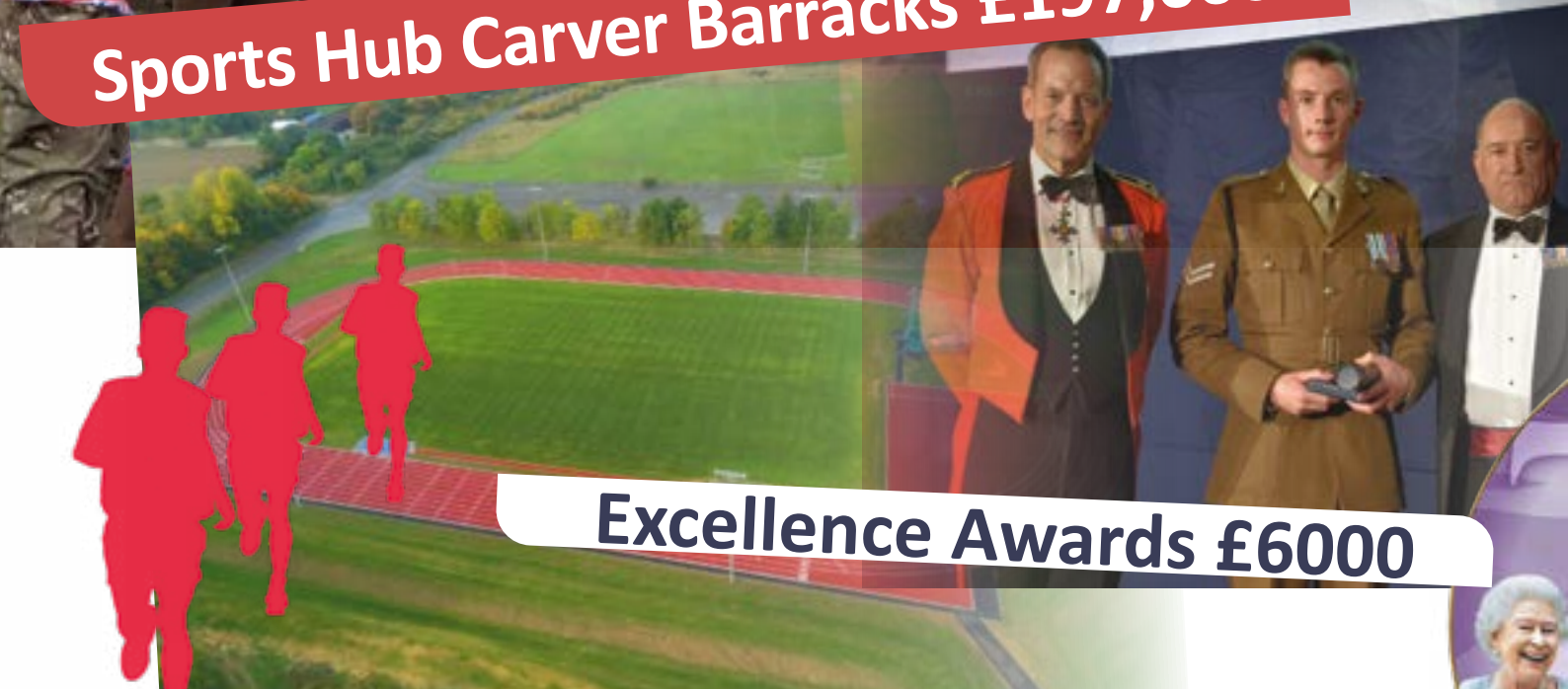
Sir Wilbraham's grave was restored with assistance from a team from 70 Gurkha Parachute Squadron, 23 Parachute Engineer Regiment and their JCB who lifted the 500 kilo cross back into place onto steel dowels and a lot of epoxy! Funding was provided by The Royal Engineers Association and The Remembrance Trust. It is hoped that Steve will continue his work restoring other RE graves and memorials along with other military graves to a better condition. Lennox's VC and other medals are in the Royal Engineers Museum in Kent.

Acknowledgements: Jane Robinson (Research), Steve Davis, RE Museum





Sports Hub Carver Barracks £197,000



Excellence Awards £6000



Sapper Games £25,000

Projects

Static Caravan £20,000

Jack Jarvis Atlantic Rower £20,000



Street Parties £15,000



Corps Boxing £6000



The Royal Engineers Association



Trustees' Report And Financial Statements

For the year ended 31 December 2022



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Trustee's Report

For the year ending 31 December 2022

The Board of Trustees present their annual report and the audited financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out at note 2 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 and Supplemental Deed dated 1 December 1974 as varied by a scheme of the Commissioners dated 11 August 1997 and supplemented by the Rules of the Royal Engineers Association 2009, hereafter referred to as 'The Deed'.

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 other rank 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 23 to the financial statements). The General Fund is not restricted. Another restricted fund, The Kitchener Fund, 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.

Objects And Activities

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

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 organised democratically in accordance with the REA Rules 2018 by members who take on the stewardship and running of the branch voluntarily. The many hundreds of volunteers who act as branch officials encouraging, supporting, recruiting and guiding their branches and members to ensure that the branches provide a national network that supports the entire sapper family.

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 165 recipients, from whom many letters of appreciation have been received. The total number of benevolence cases considered in 2022 was 13% more than the previous year.

The Kitchener Fund supported the education of 12 children from Sapper families.

The Gabriel Fund supported the career development of 2 veterans suffering from life changing illness or injury.

Sappers Network

The operation and management of Sappers Network were transferred to REA HQ, the service has been continued, with the emphasis being on providing employment support to Service Leavers. The service is free to employers and candidates and offers jobs across the UK and Internationally.

Grants Considered 2017 to 2022

YEAR	2022	2021	2020	2019	2018	2017
Disabled & Illness	110	80	145	116	166	163
Old age	6	4	13	22	41	32
Widows	43	41	38	45	63	51
Unemployed	115	119	119	76	128	119
Miscellaneous	91	94	106	210	124	129
No grant made	88	62	87	120	31	51
Totals	453	400	508	589	553	545

Other Grants

As in previous years, a Branch and Unit Welfare Grant of £100,000 was allocated from Capital Reserves for the year 2022. This was to enhance Esprit de Corps – a specific objective of the REA – by providing the opportunity for Units and Branches to bid for support in funding projects or activities which had no – or incomplete – support from other resources. The overall result both in ‘PR’ for the REA and benefit for recipients was most encouraging. Grants included: support for the provision of a holiday chalet for use by serving personnel, veterans, and dependants; improvements to single living accommodation in several regiments; support for a families and community centre at Carver Barracks; support for an Association Branch meeting room providing disabled access.

The 2022 welfare grant was a success with 100% of the fund available being disbursed.

As a result of this, changes were implemented for future Welfare Grant Applications, with a greater awareness being promoted to both Units and Branches through direct briefings, email and social media and support from REA HQ when needed. It has been decided to continue the welfare grant opportunities on an ongoing basis subject to annual reviews.

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, most applicants receive financial assistance.
- There will be many eligible persons in need of assistance of whom the Association is unsighted. Following the appointment of a Controller and Assistant this has given the resources to begin looking at how better the Association can reach further, a review is currently underway to look at bringing additional funds to bear in outreach/training and direct support in areas such as mental health, housing, supported living and how to access support.
- Cases requiring financial assistance greater than £1,000 (Controllers financial threshold increased from £500 in 2016) are referred to the REA Benevolence Committee that, since the increase in the Controller’s delegated powers, sits quarterly rather than monthly. Cases of an urgent nature that exceed the Controller’s delegated powers are considered out-of-committee in consultation with the Chairman of the Benevolence Committee and the Hon Treasurer REA. There is no financial limit on grants 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 decision.
- Regular weekly allowances were made to 40 applicants and, where there is a need to assist financially with nursing home fees, some have further assistance from the Army Benevolent Fund the Soldiers’ Charity.
- 1288 Christmas cards and some 140 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 £60,000 was provided to ABF The Soldiers’ Charity.
- A grant of £33,970 was provided to SSAFA.

ABF The Soldiers’ Charity

The Trustees are most appreciative of the financial support provided by the ABF The Soldiers’ Charity towards the cost of welfare grants to serving and former members of the Corps and their dependants.

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.
- Command courses held at both Minley and Chatham are addressed 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, 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 Days' Pay Scheme the Trustees' decided no further fund raising activity should be undertaken. In 2020, it was considered we should review once more our approach to fund raising. This has been considered by the Finance Committee and a focus on areas such as Legacy and Donation and fund raising by Branches in support of the Association has been accepted to ensure that the Association maintains its long term ability to provide benevolence and welfare services to the Sapper Family.

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 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.

2022 Financial Review

Serving RE Officers', Warrant Officers' and Soldiers' subscribe to the Royal Engineers Central Charitable Trust under the Armys' 'Day's Pay Scheme' (a payroll giving scheme). After the Institution of Royal Engineers has received a set percentage of Officer and Soldier subscriptions, the HQ Mess receive a set percentage of Officer subscriptions, and the Corps WOs' & Sgts' Mess receive an element of the SNCOs' and WOs' subscriptions (their respective membership fees) the Association receives 50% of the monies received from the Day's Pay Scheme (DPS). Any shortfall of income compared to expenditure comes from investment income. Donations and legacies that are retained are available for investment towards future benevolence. The Association's combined income from DPS, 38% of income, investments 50% of income, legacy, and donations 12% of income is sufficient to sustain our annual operating expenditure in all the key areas of benevolence, welfare, and Esprit de Corps.

Summary

Net expenditure before other recognised gains and losses was £544,382 (2021: £118,350). The Charity did not authorise any further funds for investment in 2022.

Balance Sheet

The accumulated funds decreased by £2,321,000 to £12,091,630 (2021 increased by £1,021,236 to £14,412,630). Notes to the Statement of Financial Activities and Balance Sheet provide supplementary information against each funding activity.

Expenditure on benevolence grants to individuals increased by £34,964 from £255,906 in 2021 to £290,870. Figures are now steadily recovering to pre-pandemic levels.

Christmas grants decreased by £450 to £8,855 in 2022 and weekly allowances decreased from £121,810 in 2021 to £104,191 in 2022. This was directly because of the deaths of those receiving weekly allowances and fewer cases replacing these. This is to be expected as the veteran population declines particularly in the most senior age group.

Investment House & Policy

The REA invests in the Armed Forces Charities Growth & Income Fund, managed by BlackRock.

The Objective of the Fund is to achieve real growth in capital and income over the long term by investment mainly in equities and fixed income securities. Further investment details are given in the notes to the financial statements.

No additional investment units were purchased in 2022.

Investment Performance

Investments delivered dividends of £417,306 in 2022 (2021: £427,900). During the period 1 January to 31 December 2022, the performance of the distribution units in the fund was -10.6% (2021: +13.1%) after fees and expenses. Since launch in September 2002, the fund has produced a return of +330.1%, +7.4% (2021: +309.3%, +7.2%). The fund's benchmark since inception has returned 346.3% and 8.0%. Investment property rental generated £17,938.

Risk Statement

The risks to which the Charity are exposed are reviewed by the REA Management Committee at each of its 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 September Board meeting in 2022 and members were content that systems have been established to mitigate those risks identified.

Key Risk

The key risks are financial and reputational with loss of income from our investments potentially restricting the services we deliver and thus our reputation among our members and beneficiaries which could further affect our income. In mitigation of this the Board ensures that we maintain sufficient investment funds to provide resilience and regularly reviews the status of our reserves.

Reserves

The accounts show net expenditure of £544,382 (2021: £118,530) before gains on investments. Losses on investments amounted to £1,798,446 (2021: gains of £1,139,766) giving a negative net movement in funds of £2,321,000 (2021: positive net movement of £1,021,236). Gains on our investment property revaluation were £21,828. It is the Trustees policy to release capital from the Restricted Fund's investment portfolios when required to provide funds in support of grant making or project funding.

Trustees review the reserves policy annually and aim to match the amount held in reserves to mitigate against potential financial threats over the long term. The charity relies upon the MOD for administration of the Day's Pay Giving Scheme, provision of infrastructure, utilities, and a proportion of staff costs. If these MOD donated services were to be withdrawn, the Charity would suffer an operational shock. The Charity's reserves must be able to meet such a shock if it were to occur.

Furthermore, it is the intention of the Trustees' to maintain free reserves amounting to a minimum of 15 years' operating costs (essentially benevolence payments and staffing costs). This is intended to provide adequate security against market volatility, and future risks to both income and expenditure whilst maintaining long-term benevolence support to the Corps' beneficiaries. Current unrestricted reserves are £11,462,915 (2021: £13,658,073) which Trustees consider is consistent with this policy.

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".

Plans For The Future

REA Strategy 2022-2027 Background

The Royal Engineers Association came into being on 12 October 1912 as the Old Comrades Association, with Field Marshall Kitchener as the President. In 1918 King George V became the patron and this Royal patronage continues today with His Majesty the King. During the intervening 109 years the Association has evolved; in 1952, from Old Comrades to the Royal Engineers Association, in 1968 amalgamating the RE Benevolent Fund Ltd with the REA under a new constitution.

The 5-year strategy adopted in 2021 has seen the following developments:

1. All benevolence processing is now digital and online, all data is now held within the Mosaic database operated by SSAFA.
2. The new website has been launched moving the majority of our administration to the digital space.
3. A new community platform is currently in test phase.
4. New branches are developing replacing branches which have been unable to continue.
5. Increased outreach to Regiments with regular visits to units and presentations to recruits in phase 1 and phase 2 training.
6. Introduction of new areas of support through the Ballard Fund and Gabriel Fund and expansion of the reach of the Kitchener Fund.

Charitable Objects

Our objects are shown below and have always provided a clear guide to what the purpose and role of the Association. These provide a very sound foundation for all our activities.

1. To promote and support the Corps among members of the Association in the following ways:
 - a. By fostering esprit de corps and a spirit of comradeship and service.
 - b. By maintaining an awareness of Corps traditions.
 - c. By acting as a link between serving and retired members of the Corps.
2. To provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers, and dependents who are in need through poverty.
3. To make grants, within Association Guidelines, to the Army Benevolent Fund and to other charities that further the objectives of the Association.

Governance

We have in place all the required elements for the Association to fulfil our legal obligations as a Charity. Our Charity's governing document is a legal document. It works as a rulebook, setting out:

- Its name.
- Its charitable purposes ('objects').
- What it can do to carry out its purposes ('powers'), such as borrowing money;
- Who runs it ('trustees') and who can be a member;
- How meetings will be held, and trustees' appointed;
- Any rules about paying trustees', investments' and holding land;
- Whether the trustees' can change the governing document, including its charitable objects ('amendment provisions');
- How to close the charity ('dissolution provisions').

Vision

Ensure that all members of the Sapper family have access to the comradeship and support that enables them to live full lives.

Mission

Reach out to all members of the Sapper family and provide support to those in need by maintaining the links between all serving soldiers, veterans, and their families.

Strategic Aims

To deliver our vision and mission our strategic aims are:

Engagement

We will actively engage with our stakeholders and strive to be recognised, known, and understood by our members, partners, and relevant agencies. Extending our reach into the wider community using all means at our disposal to ensure effective communication to promote the mission of the REA

Support

We will ensure we understand and adapt to the needs of our members and those we support across the Sapper family improving the lived experience of the sapper workforce and veteran community enabling them to reach full potential.

Benevolence (Aid)

To aid the Sapper family by providing appropriate, timely and effective assistance to those in need.

Sustainability

We will ensure we have people with the right skills and sufficient time and resources to deliver on our mission, underpinned by a sustainable income.

Collaborative Working

We will work together within the organisation and with internal and external partners and stakeholders to deliver our objects. Examples of this are our collaboration and ongoing commitment with RBLI Aylesford with the opening of Sapper House. Our Commitment to ABF and SSAFA and our participation in Cobseo and the Single Cap Badge Association plus numerous other charities' and organisations'.

Actions Completed in 2022

A new REA website was launched in July 2022, this is proven to be very successful and has had good feedback, traffic to the website has increased by 167%.

The new website has enabled the digitisation of the majority of our standard forms and reports improving the efficiency and responsiveness of REA HQ.

The development of the community platform was slowed until the website was completed with a launch of the test platform planned for February 2023

Succession Planning – with the imminent retirement of our Operations Manager in March 2023 the post was reviewed and the decision taken to develop the role to a full time position with increased responsibility for outreach, candidates were invited to interview in December 2022 and a replacement select to commence with the Association in March 2023

Gibraltar 250 – 2022 saw a return to full scale events following the pandemic and the Gibraltar 250 weekend lead the way with 400 veterans' and 100 serving personnel attending a weekend of civic events, parades, dinners hosted by the Gibraltar branch attended by many of the local dignitaries including the Governor, Mayor and CBG.

Cassino – Amazon Bridge Memorial Dedication, The President of the REA accompanied by the dedicated team of REA members who designed and built the Amazon Bridge Memorial, traveled to Cassino in Italy to take part in a dedication of memorial and wreath laying ceremonies, at the various memorials of the units who took part in the action in May 1944.

Outreach - a number of unit visits were carried out by the REA HQ team including, to 26 Engineer Regiment, 24 Commando Regiment RE, Defence Diving School. Additionally, presentations to Recruit Training Organisations resumed by local groups and branches.

Support for TASS athletes and Adventure Training - this is now fully embedded within the REA and an increasing number of elite athletes were supported by the REA in 2022 and into 2023.

Plans for 2023

Continuing with our current strategy 2023 has several important milestones to be achieved.

Introduction of the Community Platform – Sappercom. The aim is to provide a networking and communications tool for all members of the Association, families and serving soldiers to connect with the Association. The platform provides opportunities for users to communicate, create and promote events, share ideas and discuss issues.

Outreach – increased capacity in REA HQ means a program of outreach visits to Units and branches will be developed for 2023 to include collaborating with other Corps Charities, Branches', Groups' and linking to Corps events'. Group Structure a further review of the Group Structure is being carried out in 2023 with a view to improving the strengths of groups and the liaison between units and branches.

Mission Activate – this is a recruitment initiative to encourage branches and groups to hold events to recruit new members for the Association. For 2023 we will look to increase the number of serving members and family members of the Association.

Research – following on from our survey of 2020 it is proposed that we undertake two further surveys in 2022 with the aim of researching the success of our outreach in terms of awareness of the Association among our target market. The second research piece is to look at the reasons why benevolence demand has not recovered to pre- pandemic levels.

Auditors

Kreston Reeves LLP remain the Trustees choice as Corps auditors.

Structure, Governance And Management

The REA is governed by the Deeds of Trust dated 19 November 1968 and Supplemental Deed dated 1 December 1974 as varied by a scheme of the Commissioners dated 11 August 1997 and supplemented by the Rules of the Royal Engineers Association 2009.

Trustees

The current Board of Trustees are listed on page 10.

The Board

The affairs of the Association shall be directed by the Board of the Association.

The composition of the Board shall be:

- (1) President, a Colonel Commandant of the Corps nominated by the Chief Royal Engineer ratified by the Board. Appointment for maximum of six years.
- (2) Chair of the Association nominated by the President and ratified by the Board, maximum of six years over two, three-year, terms.
- (3) The Corps Colonel for duration of appointment.
- (4) Honorary Treasurer elected by the Board for maximum of six years over two, three-year, terms.
- (5) The Corps Sergeant Major for duration of appointment.
- (6) Reservist – nominated by President and ratified by vote of the Board maximum six years over two, three-year, terms.
- (7) Group Director – Serving Commanding Officer (CO) rotating round groups for duration of appointment.
- (8) Wider Community Trustee – externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (9) Governance Trustee – externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (10) Service Charity Trustee - externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (11) Fundraising Trustee – externally recruited, position ratified by board for maximum of six years over two three-year terms.
- (12) Trustee – externally recruited, position ratified by board for a maximum of six years over two three-year terms.

The Chief Executive of the Association shall be Secretary to the Board. The Corps Treasurer and Operations Manager shall be in attendance.

The Board shall exercise its responsibilities through subordinate committees subject to the provision that at least two members of any such committee shall be members of the Board.

The standing subordinate committees of the Board are:

- The Management Committee, chaired by the Chief Executive, responsible to the Board for the management of the Association including administration, membership, reunions, and awards.
- The Benevolence Committee, chaired by the REA Chair, responsible to the Board for all questions relating to the charitable business of the Association.
- The Finance Committee, Chaired by the Honorary Treasurer, responsible to the Board for the Financial Affairs of the Association.
- The Recruiting Committee, chaired by a nominated Trustee, responsible to the Management Committee for monitoring and prompting recruiting and awareness issues within the Association.

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 Board of Trustees, 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. The Board 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 quarterly to consider the more complicated applications for assistance and those requiring sums beyond the Controller's authorised powers.

A Finance Committee deals with matters and is responsible to the Board of Trustees'.

The REA is divided into 17 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 108 Branches. Of these, 94 Branches are in towns and cities in the UK and overseas who normally meet up once a month for camaraderie and Esprit de Corps. The remaining 14 Branches are national and themed branches who represent specialist trades/functions or particular interests with affiliated members throughout the UK and overseas; they will normally meet up once a year. While all Branches are self financing, grants are made to Groups, National and Themed Branches to support annual meetings and travel, all Branches have the same objectives as those of the Association.

The Headquarters or Secretariat of the Association is managed by the Chief Executive who oversees all activities with particular emphasis on engaging and involving the REA and other veteran organisations in wider Corps affairs and business development. He is supported by an Operations Manager who works full time and deals primarily with Esprit de Corps and benevolence matters.

With Sappers Network, HQ REA is established for four full time administrative and clerical staff. One of the Secretariat staff is established and paid as a Civil Servant within the Regimental Headquarters of the Royal Engineers. The Chief Executive, Operations Manager and three full time members of staff are employed solely by the Association.

REA Board of Trustees

Major General (Retd) Alastair Dickinson CBE	President
Colonel (Retd) Chris Davies MBE	Honorary Treasurer & Chair Finance Committee <i>(Tenure complete October 2022)</i>
Colonel (Retd) Jonathan Ruddy	Honorary Treasurer & Chair Finance Committee <i>(Appointed October 2022)</i>
Air Commodore (Retd) Colin Basnett CBE	Service Charities
Lieutenant Colonel (Retd) Jane Thomson	Wider Community
Colonel Matthew Quare MBE ADC	Corps Colonel <i>(Tenure complete November 2022)</i>
Colonel Richard Hawkins MBE ADC	Corps Colonel <i>(Appointed November 2022)</i>
Warrant Officer Class One Marc Elliott MBE	Corps Sergeant Major
Lieutenant Colonel Martin Heffer RE TD	Reserves
Lieutenant Colonel Larry Inge	National Branches <i>(Tenure complete November 2022)</i>
Lieutenant Colonel Claire James	Group Director Chair Recruiting Committee
Mr Jeffrey Jupp	Governance
Mr Eric Hargreaves	Local Branches <i>(Tenure complete November 2022)</i>
Mr Brian Simm	Themed Branches <i>(Tenure complete November 2022)</i>
Mr Kenneth Kirk	Chief Executive Chair Management Committee Secretary to Board of Trustees
Major (Retd) Iain George	Operations Manager
Major (Retd) Ian Sidebottom	Advisor Corps Treasurer Secretary to Finance Committee

Charity registered numbers.
258322 and SC041832

Principal Office

Regimental Headquarters Royal Engineers
Brompton Barracks
Chatham
Kent
ME4 4UG

Reference and administrative details of the charity, its trustees, and advisers For the year ended 31 December 2022

Independent auditor

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

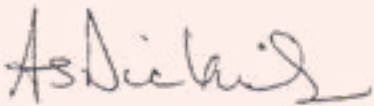
Solicitors

Furley Page LLP
39 St Margaret's Street
Canterbury
Kent
CT1 2TX

Investment Managers

BlackRock Investment Managers
12 Throgmorton Avenue
London
EC2N 2DL

Approved by the Trustees and signed on behalf of the Trustees 5th May 2023



Major General A S Dickinson CBE
Chairman

Independent Auditor's Report To The Trustees Of The Royal Engineers Association

We have audited the financial statements of Royal Engineers Association (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities in preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022 and of its income and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating To Going Concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees' with respect to going concern are described in the relevant sections of this report.

Other Information

The Trustees' are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters On Which We Are Required To Report By Exception.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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
- 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.

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, and for such internal control as the Trustees' determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees' are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees' either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the audit engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees'.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 opinions we have formed.



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

Date: 25 May 2023

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:					
Donations & Legacies	3	746,670	-	746,670	794,489
Other trading activities	9	137,064	-	137,064	78,603
Investment Income	10	414,466	20,811	435,277	427,925
Other Income	11	40,128	-	40,128	25,949
Total Income		<u>1,338,328</u>	<u>20,811</u>	<u>1,359,138</u>	<u>1,326,966</u>
Expenditure on:					
Raising Funds	12	1,101	-	1,101	288
Charitable activities	13	1,843,836	58,584	1,902,420	1,445,208
Total Expenditure		<u>1,844,937</u>	<u>58,584</u>	<u>1,903,521</u>	<u>1,445,496</u>
Net Expenditure before revaluations		(506,609)	(37,773)	(544,382)	(118,530)
Net loss on investments	19	(1,710,377)	(88,069)	(1,798,446)	1,139,766
Net Gains on property	19a	21,828	-	21,828	
Net movement in funds for year		(2,195,158)	(125,842)	(2,321,000)	1,021,236
Reconciliation of funds					
Total funds at 1 January 2022		13,658,073	754,557	14,412,630	13,391,394
Total funds at 31 December 2022		<u>11,462,915</u>	<u>628,715</u>	<u>12,091,630</u>	<u>14,412,630</u>

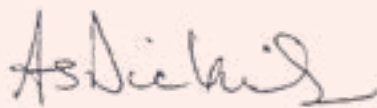
The statement of Financial Activities includes all gains and losses in the year

All activities relate to continuing operations

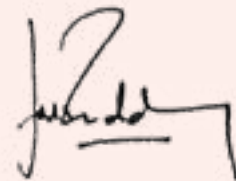
The notes on pages 42 to 51 form part of these financial statements

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	18		79,676		89,226
Investments	19		10,902,083		13,392,892
Investment Properties	20		<u>500,000</u>		-
			11,481,759		13,482,118
Current Assets					
Debtors	21	173,453		345,364	
Cash at bank and in hand		<u>511,261</u>		<u>629,988</u>	
		684,714		975,352	
Creditors: amounts falling due within one year	22	<u>(74,843)</u>		<u>(44,840)</u>	
Net current assets			<u>609,871</u>		<u>930,512</u>
Net assets			<u>12,091,630</u>		<u>14,412,630</u>
Charity funds					
Restricted funds	23		628,715		754,557
Unrestricted funds	23		<u>11,462,915</u>		<u>13,658,073</u>
Total funds			<u>12,091,630</u>		<u>14,412,630</u>

The financial statements were approved by the Trustees on 5th May 2023 and signed on their behalf, by:



Major General AS Dickinson CBE,
Chairman



Colonel JM Ruddy,
Honorary Treasurer

The notes on pages 42 - 51 form part of these financial statements

	Note	2022	2021
		£	£
Net cash used in operating activities	27	<u>(771,910)</u>	<u>(702,283)</u>
Cash flows from investing activities			
Interest and dividends		435,277	427,925
Movement on branches fixed assets		3,715	(4,340)
Movement of Branch investments		(7,637)	(3,431)
Purchase of investment properties		(478,172)	-
Disposal of fixed asset investments		<u>700,000</u>	<u>250,000</u>
Cash provided by (used in) investing activities		653,183	670,154
Increase (decrease) in cash and cash equivalents at the beginning of the year		<u>(118,727)</u>	<u>(32,129)</u>
Cash and cash equivalents at the beginning of the year		629,988	662,117
Total cash and cash equivalents at the end of the year		<u>511,261</u>	<u>629,988</u>
Analysis of changes in net debt	At 31 Jan 2022	Cashflows	At 31 Dec 2022
	£	£	£
Cash and Cash equivalents			
Cash	<u>629,988</u>	<u>(118,727)</u>	<u>511,261</u>

1 General Administrative Information

Royal Engineers Association is an unincorporated charity in England, Wales and Scotland with the registration number 258322 and SC041832. The address of the registered office is Headquarters Royal Engineers, Brompton Barracks, Chatham, Kent, ME4 4UG. The Charity's principal objectives continue to be to promote the efficiency of the Corps in all or any of the following ways: by fostering Esprit de Corps and a spirit of comradeship amongst serving and former members of the Corps; to provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers and dependants who are in need; 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.

2 Accounting policies

2.1 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) (effective 1 January 2019)). 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). The financial statements are presented in UK sterling which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Preparation of the accounts on a going concern basis

The Trustees' assess whether the use of going concern is appropriate, ie, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees' make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements for the foreseeable future.

2.3 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 1 in the Trustees' report. Investment income, gains and losses are allocated to the appropriate fund.

2.4 Income

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.

2.5 Expenditure

Liabilities are recognised as expenditure 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 which 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.

2.6 Tangible fixed assets and depreciation

REA assets, including those purchases by Branches, costing more than £1000 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.

2.7 Investments

Investments held as fixed assets are included in the accounts at valuation based on their bid price at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet Date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method

2.12 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.

2.13 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

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

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

2.15 Taxation

Institution of Royal Engineers Association is a registered charity and accordingly no provision is considered necessary for taxation.

2.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

	Note	Unrestricted funds	Restricted funds	Total funds	Total funds
		2022	2022	2022	2021
		£	£	£	£
3 Donations & Legacies					
Donations	4	147,357	-	147,357	91,649
Legacies	5	88,419	-	88,419	211,462
Grants	6	2,500	-	2,500	2,500
Subscriptions	7	421,418	-	421,418	406,164
Donated services and facilities	8	86,976	-	86,976	82,714
		<u>746,670</u>	-	<u>746,670</u>	<u>794,489</u>

All of the donations and legacies income was unrestricted in 2022 and 2021

		£	£	£	£
4 Donations					
General Donations		120,994	-	120,994	87,793
Donations from branches		30	-	30	260
Tax refund		2,582	-	2,582	123
Website donations		23,751	-	23,751	2,973
Sapper Network		-	-	-	500
		<u>147,357</u>	-	<u>147,357</u>	<u>91,649</u>

		£	£	£	£
5 Legacies					
Other legacies		<u>88,419</u>	-	<u>88,419</u>	<u>211,462</u>

		£	£	£	£
6 Grants					
H&M Charitable Trust		<u>2,500</u>	-	<u>2,500</u>	<u>2,500</u>

		£	£	£	£
7 Subscriptions and Tax					
Membership		26,947	-	26,947	16,736
Grant from RECCT (represents 50% of Day's Pay Scheme subscriptions to RECCT)		394,471	-	394,471	389,428
		<u>421,418</u>	-	<u>421,418</u>	<u>406,164</u>

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
8 Donations & Legacies	£	£	£	£
Gas	1,807	-	1,807	1,770
Electricity	2,131	-	2,131	2,093
Water and sewage	860	-	860	847
Community charge	5,686	-	5,686	5,574
Utilities	1,478	-	1,478	1,451
MOD salaries	45,014	-	45,014	28,270
Administration salaries	30,000	-	30,000	42,709
Total	<u>86,976</u>	-	<u>86,976</u>	<u>82,714</u>

	£	£	£	£
9 Other trading activities				
Activity generating income	616	-	616	-
Esprit de Corps income	136,448	-	136,448	78,603
	<u>137,064</u>		<u>137,064</u>	<u>78,603</u>

	£	£	£	£
10 Investment income				
Investment property rent	17,938	-	17,938	-
Dividends - Armd Forces Charities Fund	396,527	20,779	417,306	427,900
Bank interest	1	32	33	25
	<u>414,466</u>	<u>20,811</u>	<u>435,277</u>	<u>427,925</u>

Of the total investment income received: £435,277 (2021: £427,925), £414,466 was from unrestricted funds (2021: £407,889) and £20,811 was from restricted funds (2021: £20,036).

	£	£	£	£
11 Other income				
Sundry income	14,449	-	14,449	25,949
Refund of previous years grants	25,679	-	25,679	-
	<u>40,128</u>	-	<u>40,128</u>	<u>25,949</u>

	£	£	£	£
12 Raising funds				
Recruiting	<u>1,101</u>	-	<u>1,101</u>	<u>288</u>

13 Charitable Activities	Note	Direct Costs 2022	Support Costs 2022	Total 2022	Total 2021
		£	£	£	£
Benevolence	14	777,886	177,145	955,031	740,639
Esprit de Corps	15	710,461	236,928	947,389	704,569
		<u>1,488,347</u>	<u>414,073</u>	<u>1,902,420</u>	<u>1,445,208</u>

£1,843,836 of the charitable activities expenditure was from unrestricted funds (2021: £1,405,858) and £58,584 was from restricted funds (2021: £39,350).

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
14 Benevolence grants & allowances				
Direct Costs				
Grants	232,286	58,584	290,870	255,906
Christmas grants	8,855	-	8,855	9,305
Weekly allowances	104,191	-	104,191	121,810
Army Benevolent Fund	60,000	-	60,000	-
SSAFA Families Help	33,970	-	33,970	-
Other charities	280,000	-	280,000	220,000
Refund Grants previous years	-	-	-	(6,972)
	<u>719,302</u>	<u>58,584</u>	<u>777,886</u>	<u>600,049</u>

Support costs				
Committee & Travel costs	1,985	-	1,985	910
Audit	4,200	-	4,200	3,591
Fees & Subscriptions	2,395	-	2,395	4,178
Insurance	750	-	750	1,517
Administration	29,162	-	29,162	7,746
Post & Telephone	4,475	-	4,475	4,838
Depreciation	292	-	292	294
Donated services support costs	24,788	-	24,788	24,174
Donated services MOD salaries	30,000	-	30,000	28,270
Staff costs	79,098	-	79,098	65,072
	<u>177,145</u>	-	<u>177,145</u>	<u>140,590</u>
	<u>896,447</u>	<u>58,584</u>	<u>955,031</u>	<u>740,639</u>

	Unrestricted funds	Restricted funds	Total funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
15 Esprit de Corps				
Direct costs				
Corps activities	432,538	-	432,538	346,281
Branch donations	24,565	-	24,565	24,294
Branch activities	243,678	-	243,678	138,405
Annual Conference	3,121	-	3,121	172
Sapper Sunday Lunch	1,295	-	1,295	-
Annual Dinner	5,264	-	5,264	-
	<u>710,461</u>	-	<u>710,461</u>	<u>509,152</u>
Support costs				
Committee & Travel costs	7,941		7,941	3,638
Audit	4,200		4,200	3,591
Fees & Subscriptions	2,395		2,395	4,178
Insurance	750		750	1,517
Administration	32,282		32,282	8,344
Post & telephone	4,475		4,475	4,838
Depreciation	5,543		5,543	5,583
Donated services support costs	32,188		32,188	30,272
Staff costs	147,154	-	147,154	133,456
	<u>236,928</u>	-	<u>236,928</u>	<u>195,417</u>
	<u>947,389</u>	-	<u>947,389</u>	<u>704,569</u>

16 Net income / Expenditure

This is stated after charging: Depreciation of tangible fixed assets:	£	£
Owned by the charity	5,835	5,876
Auditor's remuneration	<u>8,400</u>	<u>7,182</u>

During the year, no Trustees received any remuneration (2021 - £NIL).
During the year, no Trustees received any benefits in kind (2021 - £NIL).
Trustees received reimbursement of expenses amounting to £Nil in the current year, (2021 - £Nil).

17 Staff costs	Total funds 2022	Total funds 2021
	£	£
Staff costs were as follows:		
Wages and salaries	198,570	172,360
Social security costs	14,083	13,703
Pension costs	13,599	12,466
	<u>226,252</u>	<u>198,529</u>
The average monthly number of employees during the year was as follows:		
Management and administration of the charity	7	6
The number of employees whose benefits (excluding employer pension costs) exceeded £60,000 was	2022	2021
	No	No
In the band £60,001 -£70,000	1	-

The total employment benefits including employer pension contributions of the key management personnel were £63,745 (2021 - £57,578)

18 Tangible fixed assets	Unrestricted Designated Fixtures & fittings	Unrestricted General Property	Unrestricted General Computer equipment	Total
Cost	£	£	£	£
At 1 January 2022	89,915	115,591	25,651	231,157
Movement in branches fixed assets	(3,715)	-	-	(3,715)
At 31 December 2022	<u>86,200</u>	<u>115,591</u>	<u>25,651</u>	<u>227,442</u>

Depreciation				
At 1 January 2022	11,865	111,102	18,964	141,931
Charge for the year	-	2,282	3,553	5,835
At 31 December 2022	<u>11,865</u>	<u>113,384</u>	<u>22,517</u>	<u>147,766</u>

Net book value				
At 31 December 2022	<u>74,335</u>	<u>2,207</u>	<u>3,134</u>	<u>79,676</u>
At 31 December 2021	<u>78,050</u>	<u>4,490</u>	<u>6,685</u>	<u>89,225</u>

19 Fixed asset investments	Listed securities	Branch investments	Total
	£	£	£
Market value			
At 1 January 2022	13,364,662	28,230	13,392,892
Disposals	(700,000)	-	(700,000)
Revaluations	(1,798,446)	-	(1,798,446)
Movements of branch investments	-	7,637	7,637
At 31 December 2022	<u>10,866,216</u>	<u>35,867</u>	<u>10,902,083</u>
Historical cost	5,731,035	25,981	5,757,016

Investments at market value comprise:		2022	2021
		£	£
Listed investments		10,866,216	13,364,662
Branch investments		35,867	28,230
Total market value		<u>10,902,083</u>	<u>13,392,892</u>

All of the fixed asset investments are held in the UK

Material investments

All invested funds were held in the BLK Armd Forces Charities Growth & Income Fund, managed by BlackRock Investment Managers Limited

20 Investment Properties		Freehold investment property
Valuation		
Additions		478,172
Revaluation		21,828
At 31 December 2022		<u>500,000</u>

Going forward the investment properties will be valued on an open market value for existing use basis

21 Debtors	2022	2021
	£	£
Other Debtors	147,362	316,791
Prepayments and accrued income	26,091	28,573
	<u>173,453</u>	<u>345,364</u>

22 Creditors		
Amounts falling due within one year		
	£	£
Branch creditors	728	8,435
Other creditors	74,115	36,405
	<u>74,843</u>	<u>44,840</u>

23 Statement of funds						
Current year	Brought Forward	Income	Expenditure	Transfers in/out	Gains/(Losses)	Carried Forward
	£	£	£	£	£	£
Designated funds						
Branch funds	<u>578,879</u>	<u>290,996</u>	<u>(268,243)</u>	-	-	<u>601,632</u>
General funds						
General funds	13,079,194	1,047,332	(1,576,694)	-	(1,688,549)	10,861,283
Total unrestricted funds	<u>13,658,073</u>	<u>1,338,328</u>	<u>(1,844,937)</u>	-	<u>(1,688,549)</u>	<u>11,462,915</u>
Restricted funds						
Kitchener Scholarship Fund	<u>754,557</u>	<u>20,811</u>	<u>(58,584)</u>	-	<u>(88,069)</u>	<u>628,715</u>
Total Restricted Funds	<u>754,557</u>	<u>20,811</u>	<u>(58,584)</u>	-	<u>(88,069)</u>	<u>628,715</u>
Total of funds	<u>14,412,630</u>	<u>1,359,139</u>	<u>(1,903,521)</u>	-	<u>(1,776,618)</u>	<u>12,091,630</u>

Prior Year	Brought Forward	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
Designated funds						
Branch funds	<u>539,533</u>	<u>202,045</u>	<u>(162,699)</u>	-	-	578,879
General funds						
General funds	<u>12,131,260</u>	<u>1,104,974</u>	<u>(1,243,536)</u>	-	<u>1,086,496</u>	<u>13,079,194</u>
Total unrestricted funds	<u>12,670,793</u>	<u>1,307,019</u>	<u>(1,406,235)</u>	-	<u>1,086,496</u>	<u>13,658,073</u>
Restricted funds						
Kitchener Scholarship fund	<u>720,601</u>	<u>20,036</u>	<u>(39,350)</u>	-	<u>53,270</u>	<u>754,557</u>
Total restricted funds	<u>720,601</u>	<u>20,036</u>	<u>(39,350)</u>	-	<u>53,270</u>	<u>754,557</u>
Total of funds	<u>13,391,394</u>	<u>1,327,055</u>	<u>(1,445,585)</u>	-	<u>1,139,766</u>	<u>14,412,630</u>

24 Analysis of net assets between funds	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
Current Year	£	£	£
Tangible fixed assets	79,676	-	79,676
Fixed asset investments	10,358,722	543,361	10,902,083
Investment properties	500,000	-	500,000
Current assets	599,360	85,354	684,714
Creditors due within one year	(74,843)	-	(74,843)
	<u>11,462,915</u>	<u>628,715</u>	<u>12,091,630</u>

Prior Year	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	89,226	-	89,226
Fixed asset investments	12,761,462	631,430	13,392,892
Current assets	852,225	123,127	975,352
Creditors due within one year	(44,840)	-	(44,840)
	<u>13,658,073</u>	<u>754,557</u>	<u>14,412,630</u>

25 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 £13,599 (2021 - £12,466).

26 Related party transactions

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

27 Reconciliation of net movement in funds to net cash flow from operating activities

	Restricted funds 2022	Total funds 2021
	£	£
Net movement in funds	(2,321,000)	1,021,236
Add back depreciation charge	5,835	5,876
Deduct interest income shown in investing activities	(435,277)	(427,925)
Deduct gains/ add back losses on investments	1,798,446	(1,139,766)
deduct gains / add back losses on investment properties	(21,828)	-
Decrease (increase) in debtors	171,911	(175,758)
Increase (decrease) in creditors	30,003	14,054
Net cash used in operating activities	<u>(771,910)</u>	<u>(702,283)</u>



Alastair Dickinson CBE

Maj Gen (Retd.) Alastair Dickinson CBE has been President of the REA since September 2018, prior to that he served for two years as our Chairman. His Army career spanned nearly 36 years including command of 59 Indep Cdo Sqn RE, 28 Amph Regt RE and 8 Engr Bde. Away from regimental duty Alastair considers he spent far too long on the third floor of the Ministry of Defence serving in both Defence and Army Resource and Plans departments. His final appointment as a serving officer was as a member of Executive Committee of the Army Board responsible for Army Basing and Infrastructure. Alastair now works part-time for himself supporting small tech start-ups. He is married to Alice and with the rest of his time, he supports their two sons; helping one set up and run his own business and the other succeed in his sporting career.



Matt Quare MBE ADC

Col Matt Quare commissioned into the Royal Engineers in 1990. Early service included tours in Northern Ireland, Bosnia and Belize and saw him serve as Squadron 2IC in 21 Engr Regt, Germany. His career has also seen him serve as a G5 CIMIC officer in HQ ARRC with operational deployments to the Balkans. He deployed on Op TELIC 1 with the US Marine Corps and to Iraq on Op TELIC 3 in support of the Basra Battlegroups. In 2009 he took command of 3 RSME Regiment. Post command, he completed an extended OCE deployment with ISAF SOF for which he was awarded an operational MBE. On promotion to Colonel he commanded 12 (FS) Engr Gp, with seven regiments and 4600 Sappers under his command. He assumed the post of Corps Colonel Royal Engineers in 2017. He is a Chartered Engineer and Chartered Manager. His interests are centred on being outdoors; alpine skiing, swimming and running. Married to Eleanor, they have one son who is currently a Troop Commander in 32 Engr Regt.

Andrew Craig OBE

Andrew Craig heads the IT leadership and governance stream of his consultancy, Rame Associates Ltd. He is a visiting Senior Research Fellow at the London School of Economics and Political Science where he helped set up the Outsourcing Unit. He has coached executives, teams and boards in the Defence Procurement Agency, the UK Border Agency, Balfour Beatty, HSBC, the leisure industry and finance and fund management companies. In his professional Army career as a Brigadier, he commanded engineering operations worldwide, including the first Gulf War and Bosnia, and led the UK's planned military response to nuclear, biological and chemical terrorism. He was awarded an OBE in 1992.



Eric Hargreaves

Eric Hargreaves is 70 years old and has been a part of the Royal Engineers family since he enlisted aged just eighteen, in that time he has served in both the regular and reserve forces. He is a life member of the REA and is the chair of his local branch; he was also a member of the REA committee for three years representing the Northwest Group before joining the newly formed National Council three years ago. He also sits on the Management Committee as a council representative. In his civilian career he was a manager with BT plc for more than thirty years, before retiring two years ago. He lives in his home city of Stoke on Trent with his wife Hazel, they have four children and eight grandchildren, his main interests outside the REA are travel, rugby, and DIY. He is committed to supporting all members past and present of the Royal Engineer family, in any way he can.



Colin Basnett CBE

Colin served in the RAF from 1979 to 2013, predominately on the Tornado Force. During his flying career he undertook 8 operational tours over Iraq and Afghanistan, and commanded both 14 Sqn and RAF Marham. His specific achievements were recognised in 2010 by his appointment as a CBE and the award of the US Legion of Merit, one of the highest military decorations awarded to non-US personnel, and promotion to Air Commodore. On leaving the RAF, Colin held positions as the Defence & Political Adviser (Air) and Head Typhoon and Future Combat Air System at MBDA, before assuming his current role as the Group Director Strategic Engagement at QinetiQ in 2018. Colin joined the RAF Charitable Trust Enterprises (the organisers of the Royal International Air Tattoo) as a Non-Executive Director in 2012, and the Royal Engineers Association as a Board Trustee in 2019. Married with two children in their twenties, he is a keen, albeit haphazard, golfer who tries to keep fit by reading running magazines.



Claire James

Claire feels very privileged and proud to have served nineteen immensely rewarding years in the Corps of Royal Engineers: a troop commander on Operation Telic 1; the Adjutant at 3 RSME Regiment; an operational staff appointment at divisional level and; initial staff appointments managing the HTS PPP and Operational Commitments in HQ Theatre Troops. She was the Officer Commanding 33 Armoured Engineer Squadron during Operation HERRICK 16 and had a challenging period as Lead Armoured Battle Group. Subsequently on the Staff she supported Director Army Reform with the delivery of the Army Reserve Development Programme and more latterly, before selection to Lieutenant Colonel, Directing Staff on ICSC (L). Since completing ACSC and before taking command of 3 Royal School Military Engineering Regiment, she worked for the Corps Colonel and Head Manning on Army and RE workforce planning. Claire is now the Assistant Head Reserves working in Army HQ cohering the strategy and policies necessary to support our Reserve Forces.



Martin Heffer

Martin is a Technical Director specialising in the planning and delivery of major transport schemes. He has extensive experience delivering major transport projects in Europe, Asia and Africa including Heathrow Terminal 5, M25 widening, Crossrail, London 2012 Olympics and HS2. He is a former business representative on the board of Coast to Capital Local Enterprise Partnership and a trustee of skin cancer charity Story FMR. Martin has been a Royal Engineers Reserve Officer for over 30 years and is a Civil Military co-operation specialist. He worked on joint Foreign Office and UK military infrastructure initiatives in Iraq, assisted with the development of disaster relief plans in Belize and Ghana and led the Department for Transport's response to the Cumbria floods in 2009. He is married to Sarah and lives in East Sussex where horses and gardening take up the rare moments of 'spare time'.



Jeffrey Jupp

Jeffrey joined the Royal Engineers as a Junior Leader in 1983. He served mostly in Germany in 30 Sqn, 26 Engr Regt and at HQRE 3rd Armoured Division. In 1989 he left the Army as a junior NCO to attend university. He subsequently qualified as a barrister. He has practised as a barrister for over 20 years in a leading set of chambers in London. His practice encompasses commercial law, employment law and professional regulation. Jeffrey also acts for offshore and international clients and has been involved in cases in a number of jurisdictions including Isle of Man, Jersey, Dubai and the Cayman Islands. Jeffrey is married with two children and lives in central London. He enjoys travelling, cycling and skiing. He is honoured to have been invited to join the Board of the REA and to contributing to its success.



Marc Elliott MBE



Warrant Officer Class One Marc Elliott assumed the post of Corps Sergeant Major Royal Engineers in June 2021. He enlisted into the Royal Engineers in 1999 and has early operational experience of Kosovo and Iraq, with 28 Engineer Regiment based at Hameln. Later, he returned to Iraq as a Patrol Commander with 22 Engineer Regiment with the Reconnaissance troop. As a Reconnaissance Sergeant, he was attached to the Military Stabilisation and Support Group deploying to the Helmand Province of Afghanistan. His Squadron Sergeant Major appointment with 29 Armoured Engineer Squadron included a deployment as a member of the Enhanced Forward Battle Group, in support of NATO operations in Estonia. As a Regimental Sergeant Major, he was assigned to 26 Engineer Regiment, leading with a mind, body and spirit ethos for the soldiers, officers and families of the team. Outside of Regimental Duty he has served in a variety of training appointments. As a Junior soldier, serving at Army Training Regiment Lichfield as a recruit Section Commander. Overseas, he served at British Army Training Unit Suffield as the Quarter Master Sergeant Instructor for Target and Infrastructure, supporting live fire Battle Group collective training. He enjoys spending time in the gym, playing rugby, reading and exploring new places with the family! Married to Louise, they have a son Ben (16) and a daughter Marci (12).

Larry Inge

Larry's total combined service in and for the Corps of Royal Engineers spans 57 years. He joined the Junior Leaders Regiment RE in 1958 and completed OR career attaining the rank of WO1 (RSM). Operational tours included a year in Aden (Radfan) and three tours to Northern Ireland in the 1970s. He then commissioned and attained the rank of Lt Col (QM). Tours included OC 63 Training Support Squadron Minley, QM Queen's Gurkha Engineers Hong Kong and QM 3 RSME Regt Minley. He also spent 15 years as Corps Mess Secretary of the HQ Officers Mess Chatham. A keen sportsman, he was a member of the Regimental Dinghy Sailing Team who won BAOR Championship in 1963 and 1964. He was also an Army Diving Supervisor and Instructor. He married Carolyn in 1967 and they have three children. On retirement in 2016 he was awarded the Corps of Royal Engineers Gold Medal.



Mark Ruddy

Mark Ruddy was a troop commander in Osnabruck (23 Engr Regt), and Sqn 21C in Iserlohn (25 {Boxer} Fd Sqn). He was Adjutant of 73 Engineer Regiment (V) in Nottingham and an SO3 HQ 1 (BR) Corps in Bielefeld. He was SO2 J1/J4 in Hong Kong, planning the UK's withdrawal from the Far East. He commanded 8 {Phoenix} Armd Engr Sqn (Tidworth), in Northern Ireland (Op Banner) and Bosnia (Operation Resolute) with IFOR. He was SO1 Plans at Engr Branch HQ Land and SO1 Soldier Career Management in Glasgow. He returned to Quebec Barracks, Osnabruck as CO 21 Engineer Regiment, and deployed to the Oman on Ex Saif Sareea 2 in 2001. As full Colonel, he commanded the Construction Engineer School and Chatham Garrison, followed by AD J9 and Comd Engr on Op Telic 6 (2005) with MND (SE). His last role with the Corps was as Deputy Commander 8 Force Engineer Brigade. He resigned his commission in January 2007.

Mark worked for Network Rail for the next 7 years as Managing Director (Sussex Route), Europe's busiest rail route – spending £350M a year developing the infrastructure in the London-Hastings-Southampton triangle and running some 3500 trains a day.

He was then appointed as Chief Operating Officer for the Transport Systems Catapult – a £50M p.a. applied research company looking at improving UK's transport system. He oversaw some 230 multi-year research projects. After six years, he led the merger of that company with a smart cities research organisation, promptly doing himself out of a job.

During the COVID 19 pandemic Mark ran a Command Centre for the Managed Quarantine Service for the Department of Health & Social Care – some 77 facilities with 40000 guests and now provides some Security Consultation for the Home Office and is a part-time Career Consultant with The Officers' Association (RFEA).

The secret of his survival, and surprisingly unblemished track record, is his wife Christine: A Scouser football fanatic (Reds) who has bolstered her husband's street-cred and done more to patch up the moral component of Army families than has been fair to ask of her. Christine lives in her 20th house in 38 years of marriage and is currently overseeing the construction of their "forever house" in Cranleigh.



Jane Thomson

After training as a school teacher, Jane decided to join the Army in 1988. Her most enjoyable posting proved to be as a Platoon Commander at the RE Apprentice College in Chepstow. Having played hockey for Wales at various levels, Jane became the Army hockey captain and also represented Combined Services. Eighteen years later and after a variety of staff jobs, Jane decided to leave and work for herself. After her Army career Jane moved into the world of training consultancy and working for regulatory bodies. After an enjoyable period with the Nursing and Midwifery Council participating in nurse "court-martials", Jane was appointed to the Parole Board. She has since become a Chair, but also acts as a mentor to new appointees. Jane is particularly interested in offender rehabilitation and the reasons why ex-servicemen end up in custody. Jane has taken up cycling as her primary means of keeping fit but also enjoys walking. Jane has just agreed to become a trustee for a school in Burundi. She has two adult children. Any spare time is spent providing support to elderly people in the local community.



Kenneth Kirk

Ken served with the Corps from 1981 to 1989 serving mainly in BAOR with 28 Amph Engr Regt, 23 Engr Regt, 25 Engr Regt and Junior Leaders Regiment RE. On leaving the Corps he joined the Port of London Authority at Tilbury Docks.

He held various senior management posts in Forth Ports Plc, including project managing major capital infrastructure projects building new Port Operating Facilities. Following this he became Managing Director of a major UK Port Operator for several years with operations across the UK. He then went on to own and run a marine manufacturing business based on the South Coast. Having enjoyed a varied and rewarding career, he was delighted and honoured to have the opportunity to return to serve the Corps as Controller (now CEO) of the Royal Engineers Association.

Ken is married with two grown up sons and lives in Wouldham, where as well as still enjoying running and cycling, he is church warden of All Saints Parish Church and the local Poppy Appeal Organiser.



Iain George | Operations Manager

Iain George joined the Corps in 1972 as a Junior Leader at Dover. He served 25 years in the ranks and finished as the Corps Regimental Sergeant Major. He was commissioned in 1997 and served until 2015. His final posting was SO2 Transition London District.

After leaving, he worked for the Stoll Foundation, a Veterans charity in London looking after homeless and vulnerable veterans. As the Assistant Controller (now Operations Manager), Iain's responsibilities include the assessment of benevolence cases and the staffing of benevolence cases to the REA Benevolence Committee. He also organises the REA Annual Dinner, Sapper Sunday and the production of the HQ Circular.

Iain has been married to Melanie for over 40 years and they have two grown up children and three grandchildren. Iain will retire in March 2023, after five successful years in post as Operations Manager REA. Nick Gunnell becomes our new Operations Director from March 2023.

Ann Richardson | Membership Secretary

Ann Richardson is part of our membership team. She first joined the REA in 2009 as part of the benevolence team. Ann maintains all membership records of which we have over 70,000. She is the contact for all membership enquiries and processes all new membership applications.

Ann also assists with setting up new Branches, advising on the membership status of the founding members. Her skills extend to editing the REA website, keeping it up to date with Branch and Group officials contact details.

Ann is married to John. Between them they have eight adult children and 18 grandchildren who keep them particularly busy. She also has four dogs. When not at work she loves gardening, reading, crafts and music, but mostly loves spending time with her grandchildren.



Matt Gadd | Digital Marketing Assistant

Matt joined the REA as a Digital Marketing Assistant in March 2022. He works on all things relating to Digital Marketing within the organization, helping us to gain more exposure in the online space. This increased exposure ultimately allows us to reach more of our Sapper family that may not be aware of the help and support we can offer them. When not at work Matt likes to spend his free time listening to music, gaming, socializing with friends, and eating out.

Julia Ferguson | Member Services Coordinator

Julia Ferguson joined the REA Benevolence Team in 2002 and moved to our membership team in 2009. She co-ordinates ticket requests for our external annual events and assists with administration for the Association Badge of Merit, notifications of RE In-Pensioner admittance to the Royal Hospital Chelsea, medical discharge, retirement and death notifications receipt of donations and legacies. Julia also coordinates REA Branch submissions for The Sapper including publication of obituaries in the magazine and the Corps Memorial Book. She is also the point of contact for the arrangement of Standard Bearer representation at cremations and funerals. Julia lives with her partner Tim, a former Royal Engineer who served 22 years with the Corps. Outside of work she enjoys walking, gardening and researching her family tree. Julia and Tim are both animal-lovers and are 'parents' to their adopted (and rather bossy) cat, Oreo.



Rodney Henderson | Benevolence Secretary

Rodney came to the busy REA Benevolence Secretary role in March 2019, having already worked in REHQ in a different role. Rodney receives all benevolence cases and prepares them for consideration of assistance; he also works on preparing cases to be brought before the REA Benevolence Committee as well as liaising with caseworkers from other military charities regarding ongoing cases. Rodney is married to Jo and enjoys holidays abroad, especially cruises. In his spare time, he plays golf, enjoys spending time with friends and eating out. Rod will retire in June 2023; Suzanne Shuter will be our new Benevolence Secretary.

Fiona Louch | Business Manager

Fiona joined the Association team in October 2018, having previously been a secondary school teacher for 10 years and working as part of a pastoral team in the same school prior to that. She is the Association's Business Manager, looking after office processes and procedures for the REA and providing direct administration support to both the CEO and the Operations Manager. Fiona continues her role as coordinator for Sappers Network and also stands in for the Benevolence Secretary when required and enjoys the variety and complexity of the work in all of her roles. Fiona is married to Steve and they have one son who has graduated and currently works in the hospitality industry. She has been a Sea Cadet instructor and administrator at her local Unit on the Isle of Sheppey for over 30 years. When time allows, she likes to socialise with friends, travel and listen to a wide variety of music.



Suzanne Shuter | Benevolence Secretary
Nick Gunnell | Operations Director
Fay Sidebottom | Branch Funds Manager

Meet The New Recruits:





Events in 2023

Royal Engineers Historical Society Talks 2023
16.08.23 to 13.12.23

March Armed Forces Fair
02.09.23

**Northern Ireland Veterans Association
Service of Remembrance 2023**
09.09.23

Corps Freedom of Medway & Memorial Weekend
15.09.23

Curry Lunch – Chatham
24.09.23

REA AGM and Annual Dinner
07.10.23

Sapper Sunday at the Royal Hospital Chelsea
08.10.23

Field of Remembrance – Westminster Abbey
09.11.23

Remembrance Sunday
12.11.23

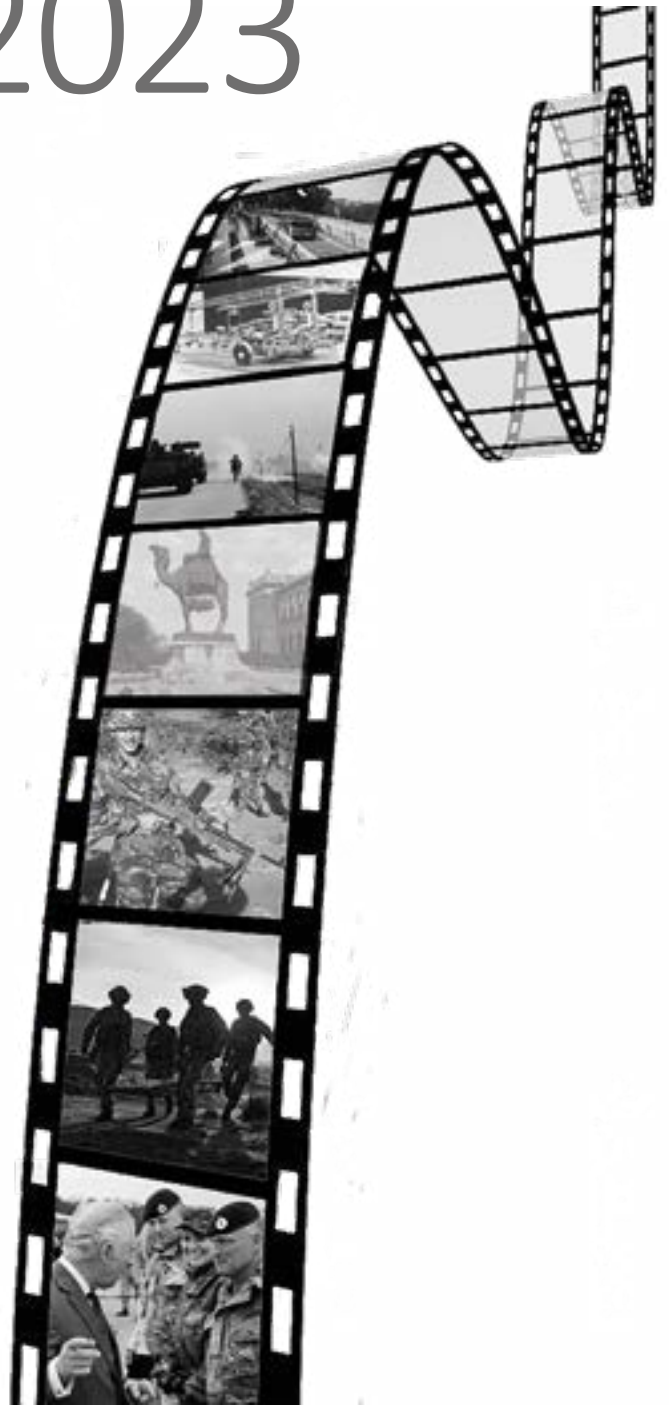
London Bridge Refurbishment, Pegasus Bridge Museum
14.04.24

80th Anniversary of the Amazon Crossing Monte Cassino
10.05.24 – 13.05.34

80th Anniversary of D-Day
06.06.24

Ripon Weekend – Standard Bearer National Event
08.06.24 – 09.06.24

See Our New Website For Further Details Of Forthcoming Events.





ROYAL ENGINEERS ASSOCIATION

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Chatham. Kent, ME4 4UG
01634 847 005.
Email: info@REAHQ.Org.uk – Email: MembershipREA@RHQRE.co.uk



**ROYAL
ENGINEERS
ASSOCIATION**



THE SAPPER CHARITY

The Royal Engineers Association



Trustees' report and financial statements

For the year ended 31 December 2022

The Royal Engineers Association

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The Royal Engineers Association

Trustee's Report For the year ending 31 December 2022

The Board of Trustees present their annual report and the audited financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out at note 2 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 and Supplemental Deed dated 1 December 1974 as varied by a scheme of the Commissioners dated 11 August 1997 and supplemented by the Rules of the Royal Engineers Association 2009, hereafter referred to as 'The Deed'.

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 other rank 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 23 to the financial statements). The General Fund is not restricted. Another restricted fund, The Kitchener Fund, 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.

OBJECTS AND ACTIVITIES

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

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 (b) 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 organised democratically in accordance with the REA Rules 2018 by members who take on the stewardship and running of the branch voluntarily. The many hundreds of volunteers who act as branch officials encouraging, supporting, recruiting and guiding their branches and members to ensure that the branches provide a national network that supports the entire sapper family.

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 165 recipients, from whom many letters of appreciation have been received. The total number of benevolence cases considered in 2022 was 13% more than the previous year.

The Kitchener Fund supported the education of 12 children from Sapper families.

The Gabriel Fund supported the career development of 2 veterans suffering from life changing illness or injury.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

Sappers Network

The operation and management of Sappers Network were transferred to REA HQ, the service has been continued, with the emphasis being on providing employment support to Service Leavers. The service is free to employers and candidates and offers jobs across the UK and Internationally.

Grants Considered 2017 to 2022

Year	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Disabled & Illness	110	80	145	116	166	163
Old age	6	4	13	22	41	32
Widows	43	41	38	45	63	51
Unemployed	115	119	119	76	128	119
Miscellaneous	91	94	106	210	124	129
No grant made	<u>88</u>	<u>62</u>	<u>87</u>	<u>120</u>	<u>31</u>	<u>51</u>
Totals	453	400	508	589	553	545

Other Grants

As in previous years, a Branch and Unit Welfare Grant of £100,000 was allocated from Capital Reserves for the year 2022. This was to enhance *Esprit de Corps* – a specific objective of the REA - by providing the opportunity for Units and Branches to bid for support in funding projects or activities which had no – or incomplete – support from other resources. The overall result both in 'PR' for the REA and benefit for recipients was most encouraging. Grants included: support for the provision of a holiday chalet for use by serving personnel, veterans, and dependants; improvements to single living accommodation in several regiments; support for a families and community centre at Carver Barracks; support for an Association Branch meeting room providing disabled access.

The 2022 welfare grant was a success with 100% of the fund available being disbursed.

As a result of this changes were implemented for future Welfare Grant Applications, with a greater awareness being promoted to both Units and Branches through direct briefings, email and social media and support from REA HQ when needed. It has been decided to continue the welfare grant opportunities on an ongoing basis subject to annual reviews.

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, most applicants receive financial assistance.
- There will be many eligible persons in need of assistance of whom the Association is unsighted. Following the appointment of a Controller and Assistant has given the resources to begin looking at how better the Association can reach further, a review is currently underway to look at bring additional funds to bear in outreach/training and direct support in areas such as mental health, housing, supported living and how to access support.
- Cases requiring financial assistance greater than £1,000 (Controllers financial threshold increased from £500 in 2016) are referred to the REA Benevolence Committee that, since the increase in the Controller's delegated powers, sits quarterly rather than monthly. Cases of an urgent nature that exceed the Controller's delegated powers are considered out-of-committee in consultation with the Chairman of the Benevolence Committee and the Hon Treasurer REA. There is no financial limit on grants 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 decision.

The Royal Engineers Association

Trustee's Report (continued)

For the year ending 31 December 2022

- Regular weekly allowances were made to 40 applicants and, where there is a need to assist financially with nursing home fees, some have further assistance from the Army Benevolent Fund the Soldiers' Charity.
- 1288 Christmas cards and some 140 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 £60,000 was provided to ABF The Soldiers' Charity.
- A grant of £33,970 was provided to SSAFA.

ABF The Soldiers' Charity

The Trustees are most appreciative of the financial support provided by the ABF The Soldiers' Charity towards the cost of welfare grants to serving and former members of the Corps and their dependants.

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.
- Command courses held at both Minley and Chatham are addressed 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, 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 Days' Pay Scheme the Trustees decided no further fund raising activity should be undertaken. In 2020, it was considered we should review once more our approach to fund raising. This has been considered by the Finance Committee and a focus on areas such as Legacy and Donation and fund raising by Branches in support of the Association has been accepted to ensure that the Association maintains its long term ability to provide benevolence and welfare services to the Sapper Family.

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 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.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

2022 FINANCIAL REVIEW

Serving RE officers, warrant officers and soldiers subscribe to the Royal Engineers Central Charitable Trust under the Army's 'Days Pay Scheme' (a payroll giving scheme). After the Institution of Royal Engineers has received a set percentage of officer and soldier subscriptions, the HQ Mess receive a set percentage of officer subscriptions, and the Corps WOs' & Sgts' Mess receive an element of the SNCOs and WOs subscriptions (their respective membership fees) the Association receives 50% of the monies received from the Days Pay Scheme (DPS). Any shortfall of income compared to expenditure comes from investment income. Donations and legacies that are retained are available for investment towards future benevolence. The Association's combined income from DPS, 38% of income, investments 50% of income, legacy, and donations 12% of income is sufficient to sustain our annual operating expenditure in all the key areas of benevolence, welfare, and esprit de corps.

Summary

Net expenditure before other recognised gains and losses was £544,382 (2021: £118,350). The Charity did not authorise any further funds for investment in 2022.

Balance Sheet

The accumulated funds decreased by £2,321,000 to £12,091,630 (2021 increased by £1,021,236 to £14,412,630).

Notes to the Statement of Financial Activities and Balance Sheet provide supplementary information against each funding activity.

Expenditure on benevolence grants to individuals increased by £34,964 from £255,906 in 2021 to £290,870. Figures are now steadily recovering to pre-pandemic levels.

Christmas grants decreased by £450 to £8,855 in 2022 and weekly allowances decreased from £121,810 in 2021 to £104,191 in 2022. This directly because of deaths of those receiving weekly allowances and fewer cases replacing these. This is to be expected as the veteran population declines particularly in the most senior age group.

Investment house & policy

The REA invests in the Armed Forces Charities Growth & Income Fund, managed by BlackRock.

The Objective of the Fund is to achieve real growth in capital and income over the long term by investment mainly in equities and fixed income securities. Further investment details are given in the notes to the financial statements.

No additional investment units were purchased in 2022.

Investment performance

Investments delivered dividends of £417,306 in 2022 (2021: £427,900). During the period 1 January to 31 December 2022, the performance of the distribution units in the fund was -10.6% (2021: +13.1%) after fees and expenses. Since launch in September 2002, the fund has produced a return of +330.1%, +7.4% (2021: +309.3%, +7.2%). The fund's benchmark since inception has returned 346.3% and 8.0%. Investment property rental generated £17,938.

Risk statement

The risks to which the Charity are exposed are reviewed by the REA Management Committee at each of its 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 September Board meeting in 2022 and members were content that systems have been established to mitigate those risks identified.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

Key Risk

The key risks are financial and reputational with loss of income from our investments potentially restricting the services we deliver and thus our reputation among our members and beneficiaries which could further affect our income. In mitigation of this the Board ensures that we maintain sufficient investment funds to provide resilience and regularly reviews the status of our reserves.

Reserves

The accounts show net expenditure of £544,382 (2021: £118,530) before gains on investments. Losses on investments amounted to £1,798,446 (2021: gains of £1,139,766) giving a negative net movement in funds of £2,321,000 (2021: positive net movement of £1,021,236). Gains on our investment property revaluation were £21,828. It is the Trustees policy to realise capital from the Restricted Fund's investment portfolios when required to provide funds in support of grant making or project funding.

Trustees review the reserves policy annually and aim to match the amount held in reserves to mitigate against potential financial threats over the long term. The charity relies upon the MoD for administration of the Day's Pay Giving Scheme, provision of infrastructure, utilities, and a proportion of staff costs. If these MoD donated services were to be withdrawn, the charity would suffer an operational shock. The charity's reserves must be able to meet such a shock if it were to occur.

Furthermore, it is the intention of the Trustees to maintain free reserves amounting to a minimum of 15 years' operating costs (essentially benevolence payments and staffing costs). This is intended to provide adequate security against market volatility, and future risks to both income and expenditure whilst maintaining long-term benevolence support to the Corps' beneficiaries. Current unrestricted reserves are £11,462,915 (2021: £13,658,073) which Trustees consider is consistent with this policy.

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".

PLANS FOR THE FUTURE

REA Strategy 2022-2027 Background

The Royal Engineers Association came into being on 12 October 1912 as the Old Comrades Association, with Field Marshall Kitchener as the President. In 1918 King George V became the patron and this Royal patronage continues today with Her Majesty the Queen. During the intervening 109 years the Association has evolved; in 1952, from Old Comrades to the Royal Engineers Association, in 1968 amalgamating the RE Benevolent Fund Ltd with the REA under a new constitution.

The 5-year strategy adopted in 2021 has seen the following developments

1. All benevolence processing is now digital and online, all data is now held within the Mosaic database operated by SSAFA.
2. New website has been launched moving the majority of our administration to the digital space.
3. A new community platform is currently in test phase.
4. New branches are developing replacing branches which have been unable to continue.
5. Increase outreach to Regiments with regular visits to units and presentations to recruits in phase 1 and phase 2 training.
6. Introduction of new areas of support through the Ballard fund and Gabreil fund and expansion of the reach of the Kitchener fund.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

Charitable Objects

Our objects are shown below and have always provided a clear guide to what the purpose and role of the Association. These provide a very sound foundation for all our activities.

1. To promote and support the Corps among members of the Association in the following ways:
 - a. By fostering esprit de corps and a spirit of comradeship and service.
 - b. By maintaining an awareness of Corps traditions.
 - c. By acting as a link between serving and retired members of the Corps.
2. To provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers, and dependents who are in need through poverty.
3. To make grants, within Association Guidelines, to the Army Benevolent Fund and to other charities that further the objectives of the Association.

Governance

We have in place all the required elements for the Association to fulfil our legal obligations as a charity. Our charity's governing document is a legal document. It works as a rulebook, setting out:

- Its name.
- Its charitable purposes ('objects').
- What it can do to carry out its purposes ('powers'), such as borrowing money;
- Who runs it ('trustees') and who can be a member;
- How meetings will be held, and trustees appointed;
- Any rules about paying trustees, investments and holding land;
- Whether the trustees can change the governing document, including its charitable objects ('amendment provisions');
- How to close the charity ('dissolution provisions').

Vision

Ensure that all members of the Sapper family have access to the comradeship and support that enables them to live full lives.

Mission

Reach out to all members of the Sapper family and provide support to those in need by maintaining the links between all serving soldiers, veterans, and their families.

Strategic Aims

To deliver our vision and mission our strategic aims are:

Engagement

We will actively engage with our stakeholders and strive to be recognised, known, and understood by our members, partners, and relevant agencies. Extending our reach into the wider community using all means at our disposal to ensure effective communication to promote the mission of the REA

Support

We will ensure we understand and adapt to the needs of our members and those we support across the Sapper family improving the lived experience of the sapper workforce and veteran community enabling them to reach full potential.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

Benevolence (Aid)

To aid the Sapper family by providing appropriate, timely and effective assistance to those in need.

Sustainability

We will ensure we have people with the right skills and sufficient time and resources deliver on our mission, underpinned by a sustainable income.

Collaborative Working

We will work together within the organisation and with internal and external partners and stakeholders to deliver our objects. Examples of this are our collaboration and ongoing commitment with RBLI Aylesford with the opening of Sapper House. Our Commitment to ABF and SSAFA and our participation in Cobseo and the Single Cap Badge Association plus numerous other charities and organisations

Actions completed in 2022.

A new REA website was launched in July 2022, this has proved to be very successful and has had good feedback, traffic to the website has increased by 167%.

The new website has enable the digitisation of the majority of our standard forms and reports improving the efficiency and responsiveness of REA HQ.

The development of the community platform was slowed until the website was completed with a launch of the test platform planned for February 2023

Succession Planning – with the imminent retirement of our Operations Manager in March 2023 the post was reviewed and the decision taken to develop the role to a full time position with increased responsibility for outreach, candidates were invited to interview in December 2022 and a replacement select to commence with the Association in March 2023

Gibraltar 250 – 2022 saw a return to full scale events following the pandemic and the Gibraltar 250 weekend lead the way with 400 veterans and 100 serving personnel attending a weekend of civic events, parades, dinners hosted by the Gibraltar branch attended by many of the local dignitaries including the Governor, Major and CBG.

Cassino – Amazon Bridge Memorial Dedication, The President of the REA accompanied by the dedicated team of REA members who designed and built the Amazon Bridge Memorial traveled to Cassino in Italy to take part in a dedication of memorial and wreath laying ceremonies at the various memorials of the units who took part in the action in May 1944.

Outreach - a number of unit visits were carried out by the REA HQ team including, to 26 Engr Regt, 24 Cdo Regt RE, Defence Diving School. Additionally, presentations to Recruit training organisations resumed by local groups and branches.

Support for TASS athletes and Adventure training - this is now fully embedded within the REA and an increasing number of elite athletes were supported by the REA in 2022 and into 2023.

Plans for 2023

Continuing with our current strategy 2023 has several important milestones to be achieved.

Introduction of the Community Platform – Sappercom. The aim is to provide a networking and communications tool for all members of the Association, families and serving soldiers to connect with the Association. The platform provides opportunities for users to communicate, create and promote events, share ideas and discuss issues.

Outreach - increased capacity in REA HQ means a program of outreach visits to Units and branches will be developed for 2023 to include collaborating with other Corps charities, Branches, Groups and linking to Corps events.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

Group Structure a further review of the Group Structure is being carried out in 2023 with a view to improving the strengths of groups and the liaison between units and branches.

Mission Activate – this is a recruitment initiative to encourage branches and groups to hold events to recruit new members for the Association. For 2023 we will look to increase the number of serving members and family members of the Association.

Research – following on from our survey of 2020 it is proposed that we undertake two further surveys in 2022 with the aim of researching the success of our outreach in terms of awareness of the Association among our target market. The second research piece is to look at the reasons why benevolence demand has not recovered to pre-pandemic levels.

Auditors

Kreston Reeves LLP remain the Trustees choice as Corps auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The REA is governed by the Deeds of Trust dated 19 November 1968 and Supplemental Deed dated 1 December 1974 as varied by a scheme of the Commissioners dated 11 August 1997 and supplemented by the Rules of the Royal Engineers Association 2009.

Trustees

The current Board of Trustees are listed on page 10.

The Board

The affairs of the Association shall be directed by the Board of the Association.

The composition of the Board shall be:

- (1) President, a Colonel Commandant of the Corps nominated by the Chief Royal Engineer ratified by the Board. Appointment for maximum of six years.
- (2) Chair of the Association nominated by the President and ratified by the Board, maximum of six years over two, three-year, terms.
- (3) The Corps Colonel for duration of appointment.
- (4) Honorary Treasurer elected by the Board for maximum of six years over two, three-year, terms.
- (5) The Corps Sergeant Major for duration of appointment.
- (6) Reservist – nominated by President and ratified by vote of the Board maximum six years over two, three-year, terms.
- (7) Group Director – Serving Commanding Officer (CO) rotating round groups for duration of appointment.
- (8) Wider Community Trustee – externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (9) Governance Trustee – externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (10) Service Charity Trustee - externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (11) Fundraising Trustee – externally recruited, Position ratified by board for maximum of six years over two three-year terms.
- (12) Trustee – externally recruited, position ratified by board for a maximum of six years over two three-year terms.

The Chief Executive of the Association shall be Secretary to the Board. The Corps Treasurer and Operations Manager shall be in attendance.

The Royal Engineers Association

Trustee's Report (continued) For the year ending 31 December 2022

The Board shall exercise its responsibilities through subordinate committees subject to the provision that at least two members of any such committee shall be members of the Board.

The standing subordinate committees of the Board are:

- The Management Committee, chaired by the Chief Executive, responsible to the Board for the management of the Association including administration, membership, reunions, and awards.
- The Benevolence Committee, chaired by the REA Chair, responsible to the Board for all questions relating to the charitable business of the Association.
- The Finance Committee, Chaired by the Honorary Treasurer, responsible to the Board for the financial affairs of the Association.
- The Recruiting Committee, chaired by a nominated Trustee, responsible to the Management Committee for monitoring and prompting recruiting and awareness issues within the Association.

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 Board of Trustees, 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. The Board 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 quarterly to consider the more complicated applications for assistance and those requiring sums beyond the Controller's authorised powers.

A finance committee deals with matters and is responsible to the Board of Trustees.

The REA is divided into 17 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 108 Branches. Of these, 94 Branches are in towns and cities in the UK and overseas who normally meet up once a month for camaraderie and Esprit de Corps. The remaining 14 branches are national and themed branches who represent specialist trades/functions or particular interests with affiliated members throughout the UK and overseas; they will normally meet up once a year. While all Branches are self-financing, grants are made to Groups, National and Themed branches to support annual meetings and travel, all Branches have the same objectives as those of the Association.

The Headquarters or Secretariat of the Association is managed by the Chief Executive who oversees all activities with particular emphasis on engaging and involving the REA and other veteran organisations in wider Corps affairs and business development. He is supported by an Operations Manager who works part time and deals primarily with Esprit de Corps and benevolence matters.

With Sappers Network, HQ REA is established for four full time administrative and clerical staff. One of the Secretariat staff is established and paid as a Civil Servant within the Regimental Headquarters of the Royal Engineers. The Chief Executive, Operations Manager and three full time members of staff are employed solely by the Association.

The Royal Engineers Association

Reference and administrative details of the charity, its trustees, and advisers For the year ended 31 December 2022

REA Board of Trustees

Major General (retd) Alastair Dickinson CBE	President	
Colonel (retd) Chris Davies MBE	Honorary Treasurer & Chair Finance Committee	(Tenure complete October 2022)
Colonel (retd) Jonathan Ruddy	Honorary Treasurer & Chair Finance Committee	(Appointed October 2022)
Air Commodore (retd) Colin Basnett CBE	Service Charities	
Lieutenant Colonel (retd) Jane Thomson	Wider Community	
Colonel Matthew Quare MBE ADC	Corps Colonel	(Tenure complete November 2022)
Colonel Richard Hawkins MBE ADC	Corps Colonel	(Appointed November 2022)
Warrant Officer Class One Marc Elliott MBE	Corps Sergeant Major	
Lieutenant Colonel Martin Heffer RE TD	Reserves	
Lieutenant Colonel Larry Inge	National Branches	(Tenure complete November 2022)
Lieutenant Colonel Claire James	Group Director	Chair Recruiting Committee
Mr Jeffrey Jupp	Governance	
Mr Eric Hargreaves	Local Branches	(Tenure complete November 2022)
Mr Brian Simm	Themed Branches	(Tenure complete November 2022)
Mr Kenneth Kirk	Chief Executive	Chair Management Committee Secretary to Board of Trustees
Major (retd) Iain George	Operations Manager	
Major (retd) Ian Sidebottom	Advisor	Corps Treasurer Secretary to Finance Committee

Charity registered numbers.

258322 and SC041832

Principal office

Regimental Headquarters Royal Engineers
Brompton Barracks
Chatham
Kent
ME4 4UG

The Royal Engineers Association

**Reference and administrative details of the charity, its trustees, and advisers
For the year ended 31 December 2022**

Independent auditor

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

Solicitors

Furley Page LLP
39 St Margaret's Street
Canterbury
Kent
CT1 2TX

Investment managers

BlackRock Investment Managers
12 Throgmorton Avenue
London
EC2N 2DL

Approved by the Trustees and signed on behalf of the Trustees 5th May 2023



**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 Royal Engineers Association (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities in preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022 and of its income and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

The Royal Engineers Association

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

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 and Reports) Regulations 2008 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
- 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.

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, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the audit engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and

The Royal Engineers Association

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

Auditor's responsibilities for the audit of the financial statements (continued)

- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Royal Engineers Association

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 opinions we have formed.



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

Date: 25 May 2023

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Royal Engineers Association

Statement of financial activities For the year ended 31 December 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations & Legacies	3	746,670	-	746,670	794,489
Other trading activities	9	137,064	-	137,064	78,603
Investment income	10	414,466	20,811	435,277	427,925
Other income	11	40,128	-	40,128	25,949
Total income		1,338,328	20,811	1,359,138	1,326,966
Expenditure on:					
Raising Funds	12	1,101	-	1,101	288
Charitable activities	13	1,843,836	58,584	1,902,420	1,445,208
Total expenditure		1,844,937	58,584	1,903,521	1,445,496
Net expenditure before revaluations		(506,609)	(37,773)	(544,382)	(118,530)
Net loss on investments	19	(1,710,377)	(88,069)	(1,798,446)	1,139,766
Net Gains on property	19a	21,828	-	21,828	
Net movement in funds for year		(2,195,158)	(125,842)	(2,321,000)	1,021,236
Reconciliation of funds					
Total funds at 1 January 2022		13,658,073	754,557	14,412,630	13,391,394
Total funds at 31 December 2022		11,462,915	628,715	12,091,630	14,412,630

The Statement of Financial Activities includes all gains and losses in the year.

All activities relate to continuing operations.

The notes on pages 19 to 32 form part of these financial statements

The Royal Engineers Association

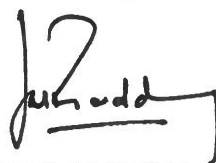
Balance sheet For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	18	79,676		89,226	
Investments	19	10,902,083		13,392,892	
Investment properties	20	500,000		-	
		<u>11,481,759</u>		<u>13,482,118</u>	
Current assets					
Debtors	21	173,453		345,364	
Cash at bank and in hand		<u>511,261</u>		<u>629,988</u>	
		684,714		975,352	
Creditors: amounts falling due within one year	22	<u>(74,843)</u>		<u>(44,840)</u>	
Net current assets		<u>609,871</u>		<u>930,512</u>	
Net assets		<u>12,091,630</u>		<u>14,412,630</u>	
Charity Funds					
Restricted funds	23	628,715		754,557	
Unrestricted funds	23	<u>11,462,915</u>		<u>13,658,073</u>	
Total funds		<u>12,091,630</u>		<u>14,412,630</u>	

The financial statements were approved by the Trustees on 5th May 2023 and signed on their behalf, by:



**Major General AS Dickinson CBE,
Chairman**



**Colonel JM Ruddy,
Honorary Treasurer**

The notes on pages 19 to 32 form part of these financial statements

The Royal Engineers Association

**Statement of Cash Flows
For the year ended 31 December 2022**

	Note	2022	2021
		£	£
Net cash used in operating activities	27	<u>(771,910)</u>	<u>(702,283)</u>
Cash flows from investing activities			
Interest and dividends		435,277	427,925
Movement on branches fixed assets		3,715	(4,340)
Movement on Branch Investments		(7,637)	(3,431)
Purchase of investment properties		(478,172)	-
Disposal of fixed asset investments		700,000	250,000
Cash provided by (used in) investing activities		<u>653,183</u>	<u>670,154</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>(118,727)</u>	<u>(32,129)</u>
Cash and cash equivalents at the beginning of the year		629,988	662,117
Total cash and cash equivalents at the end of the year		<u>511,261</u>	<u>629,988</u>

Analysis of changes in net debt

	At 31 Jan 2022 £	Cashflows £	At 31 Dec 2022 £
Cash and cash equivalents			
Cash	<u>629,988</u>	<u>(118,727)</u>	<u>511,261</u>

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2022

1 General administrative information

Royal Engineers Association is an unincorporated charity in England & Wales and Scotland with the registration number 258322 and SC041832. The address of the registered office is Headquarters Royal Engineers, Brompton Barracks, Chatham, Kent, ME4 4UG. The Charity's principal objectives continued to be to promote the efficiency of the Corps in all or any of the following ways: by fostering Esprit de Corps and a spirit of comradeship amongst serving and former members of the Corps; to provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers and dependants who are in need; 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.

2 Accounting policies

2.1 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) (effective 1 January 2019).

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).

The financial statements are presented in UK sterling which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Preparation of the accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. istence for the foreseeable future.

2.3 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 1 in the Trustees' report.

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

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2022

Accounting policies (continued)

2.4 Income

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.

2.5 Expenditure

Liabilities are recognised as expenditure 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 which 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.

2.6 Tangible fixed assets and depreciation

REA assets, including those purchases by Branches, costing more than £1000 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.

2.7 Investments

Investments held as fixed assets are included in the accounts at valuation based on their bid price at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Accounting policies (continued)

2.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 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.

2.13 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.

2.14 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 2022

Accounting policies (continued)

2.15 Taxation

Institution of Royal Engineers Association is a registered charity and accordingly no provision is considered necessary for taxation.

2.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2022

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
3 Donations & Legacies				
Donations (Note 4)	147,357	-	147,357	91,649
Legacies (Note 5)	88,419	-	88,419	211,462
Grants (Note 6)	2,500	-	2,500	2,500
Subscriptions (Note 7)	421,418	-	421,418	406,164
Donated services and facilities (Note 8)	86,976	-	86,976	82,714
	746,670	-	746,670	794,489

All of the donations and legacies income was unrestricted in 2022 and 2021.

4 Donations

	£	£	£	£
General donations	120,994	-	120,994	87,793
Donations from branches	30	-	30	260
Tax refund	2,582	-	2,582	123
Website donations	23,751	-	23,751	2,973
Sapper Network	-	-	-	500
	147,357	-	147,357	91,649

5 Legacies

	£	£	£	£
Other legacies	88,419	-	88,419	211,462

6 Grants

	£	£	£	£
H&M Charitable Trust	2,500	-	2,500	2,500

7 Subscriptions and tax

	£	£	£	£
Membership	26,947	-	26,947	16,736
Grant from RECCT (represents 50% of Day's Pay Scheme subscriptions to RECCT)	394,471	-	394,471	389,428
	421,418	-	421,418	406,164

The Royal Engineers Association

Notes to the financial statements

For the year ended 31 December 2022

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
8 Donated services and facilities				
Gas	1,807	-	1,807	1,770
Electricity	2,131	-	2,131	2,093
Water and sewage	860	-	860	847
Community charge	5,686	-	5,686	5,574
Utilities	1,478	-	1,478	1,451
MOD salaries	45,014	-	45,014	28,270
Administration salaries	30,000	-	30,000	42,709
Total	<u>86,976</u>	<u>-</u>	<u>86,976</u>	<u>82,714</u>

9 Other trading activities

	£	£	£	£
Activity Generating Income	616	-	616	-
Esprit de Corps income	136,448	-	136,448	78,603
Total	<u>137,064</u>	<u>-</u>	<u>137,064</u>	<u>78,603</u>

10 Investment income

	£	£	£	£
Investment Property Rent	17,938	-	17,938	-
Dividends – Armed Forces Charities Fund	396,527	20,779	417,306	427,900
Bank interest	1	32	33	25
Total	<u>414,466</u>	<u>20,811</u>	<u>435,277</u>	<u>427,925</u>

Of the total investment income received; £435,277 (2021: £427,925), £414,466 was from unrestricted funds (2021: £407,889) and £20,811 was from restricted funds (2021: £20,036).

11 Other income

	£	£	£	£
Sundry income	14,449	-	14,449	25,949
Refund of Previous Years Grants	25,679	-	25,679	-
Total	<u>40,128</u>	<u>-</u>	<u>40,128</u>	<u>25,949</u>

12 Raising Funds

	£	£	£	£
Recruiting	1,101	-	1,101	288

The Royal Engineers Association

Notes to the financial statements

For the year ended 31 December 2022

13 Charitable Activities

	Direct costs	Support costs	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Benevolence (Note 14)	777,886	177,145	955,031	740,639
Esprit de Corps (Note 15)	710,461	236,928	947,389	704,569
	1,488,347	414,073	1,902,420	1,445,208

£1,843,836 of the charitable activities expenditure was from unrestricted funds (2021: £1,405,858) and £58,584 was from restricted funds (2021: £39,350).

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Direct costs				
Grants	232,286	58,584	290,870	255,906
Christmas grants	8,855	-	8,855	9,305
Weekly allowances	104,191	-	104,191	121,810
Army Benevolent Fund	60,000	-	60,000	-
SSAFA Families Help	33,970	-	33,970	-
Other charities	280,000	-	280,000	220,000
Refund Grants previous years	-	-	-	(6,972)
	719,302	58,584	777,886	600,049
Support costs				
Committee & Travel costs	1,985	-	1,985	910
Audit	4,200	-	4,200	3,591
Fees & Subscriptions	2,395	-	2,395	4,178
Insurance	750	-	750	1,517
Administration	29,162	-	29,162	7,746
Post & Telephone	4,475	-	4,475	4,838
Depreciation	292	-	292	294
Donated services support costs	24,788	-	24,788	24,174
Donated services MOD salaries	30,000	-	30,000	28,270
Staff costs	79,098	-	79,098	65,072
	177,145	-	177,145	140,590
	896,447	58,584	955,031	740,639

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2022

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
15 Esprit de Corps				
Direct costs				
Corps activities	432,538	-	432,538	346,281
Branch donations	24,565	-	24,565	24,294
Branch activities	243,678	-	243,678	138,405
Annual Conference	3,121	-	3,121	172
Sapper Sunday Lunch	1,295	-	1,295	-
Annual Dinner	5,264	-	5,264	-
	<u>710,461</u>	-	<u>710,461</u>	509,152
Support costs				
Committee & Travel costs	7,941		7,941	3,638
Audit	4,200		4,200	3,591
Fees & Subscriptions	2,395		2,395	4,178
Insurance	750		750	1,517
Administration	32,282		32,282	8,344
Post & telephone	4,475		4,475	4,838
Depreciation	5,543		5,543	5,583
Donated services support costs	32,188		32,188	30,272
Staff Costs	147,154	-	147,154	133,456
	<u>236,928</u>	-	<u>236,928</u>	195,417
	<u>947,389</u>	-	<u>947,389</u>	704,569

16 Net Income / Expenditure

This is stated after charging:	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	5,835	5,876
Auditor's remuneration	<u>8,400</u>	<u>7,182</u>

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year, no Trustees received any benefits in kind (2021 - £NIL).

Trustees received reimbursement of expenses amounting to £Nil in the current year, (2021 - £Nil).

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2022**

	Total funds 2022 £	Total funds 2021 £
17 Staff costs		
Staff costs were as follows:		
Wages and salaries	198,570	172,360
Social security costs	14,083	13,703
Pension costs	13,599	12,466
	226,252	198,529

	No.	No.
The average monthly number of employees during the year was as follows:		
Management and administration of the charity	7	6
The number of employees whose benefits (excluding employer pension costs) exceeded £60,000 was:	2022	2021
	No	No
In the band £60,001 - £70,000	1	-

The total employment benefits including employer pension contributions of the key management personnel were £63,745 (2021 - £57,578).

18 Tangible fixed assets

	Unrestricted Designated Fixtures & fittings £	Unrestricted General Property £	Unrestricted General Computer equipment £	Total £
Cost				
At 1 January 2022	89,915	115,591	25,651	231,157
Movement in branches fixed assets	(3,715)	-	-	(3,715)
At 31 December 2022	86,200	115,591	25,651	227,442
Depreciation				
At 1 January 2022	11,865	111,102	18,964	141,931
Charge for the year	-	2,282	3,553	5,835
At 31 December 2022	11,865	113,384	22,517	147,766
Net book value				
At 31 December 2022	74,335	2,207	3,134	79,676
At 31 December 2021	78,050	4,490	6,685	89,225

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2022**

19 Fixed asset investments

	Listed securities £	Branch Investments £	Total £
Market value			
At 1 January 2022	13,364,662	28,230	13,392,892
Disposals	(700,000)	-	(700,000)
Revaluations	(1,798,446)	-	(1,798,446)
Movement on branch investments	-	7,637	7,637
At 31 December 2022	<u>10,866,216</u>	<u>35,867</u>	<u>10,902,083</u>
Historical cost	<u>5,731,035</u>	<u>25,981</u>	<u>5,757,016</u>

Investments at market value comprise:

	2022 £	2021 £
Listed investments	10,866,216	13,364,662
Branch investments	35,867	28,230
Total market value	<u>10,902,083</u>	<u>13,392,892</u>

All of the fixed asset investments are held in the UK.

Material investments

All invested funds were held in the BLK Armed Forces Charities Growth & Income Fund, managed by BlackRock Investment Managers Limited.

20 Investment Properties

	Freehold Investment Property
Valuation	
Additions	478,172
Revaluation	21828
At 31 December 2022	<u>500,000</u>

Going forward the investment properties will be valued on an open market value for existing use basis

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2022**

21 Debtors

	2022	2021
	£	£
Other debtors	147,362	316,791
Prepayments and accrued income	26,091	28,573
	173,453	345,364

22 Creditors:

Amounts falling due within one year

	£	£
Branch creditors	728	8,435
Other creditors	74,115	36,405
	74,843	44,840

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2022

23 Statement of funds

Current Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Branch funds	578,879	290,996	(268,243)	-	-	601,632
General funds						
General funds	13,079,194	1,047,332	(1,576,694)	-	(1,688,549)	10,861,283
Total Unrestricted funds	13,658,073	1,338,328	(1,844,937)	-	(1,688,549)	11,462,915
Restricted funds						
Kitchener Scholarship Fund	754,557	20,811	(58,584)	-	(88,069)	628,715
Total Restricted Funds	754,557	20,811	(58,584)	-	(88,069)	628,715
Total of funds	14,412,630	1,359,139	(1,903,521)	-	(1,776,618)	12,091,630
Prior Year						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Branch funds	539,533	202,045	(162,699)	-	-	578,879
General funds						
General funds	12,131,260	1,104,974	(1,243,536)	-	1,086,496	13,079,194
Total Unrestricted funds	12,670,793	1,307,019	(1,406,235)	-	1,086,496	13,658,073
Restricted funds						
Kitchener Scholarship Fund	720,601	20,036	(39,350)	-	53,270	754,557
Total Restricted Funds	720,601	20,036	(39,350)	-	53,270	754,557
Total of funds	13,391,394	1,327,055	(1,445,585)	-	1,139,766	14,412,630

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2022**

24 Analysis of net assets between funds

Current Year	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	79,676	-	79,676
Fixed asset investments	10,358,722	543,361	10,902,083
Investment properties	500,000	-	500,000
Current assets	599,360	85,354	684,714
Creditors due within one year	(74,843)	-	(74,843)
	11,462,915	628,715	12,091,630

Prior Year	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	89,226	-	89,226
Fixed asset investments	12,761,462	631,430	13,392,892
Current assets	852,225	123,127	975,352
Creditors due within one year	(44,840)	-	(44,840)
	13,658,073	754,557	14,412,630

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2022

25 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 £13,599 (2021 - £12,466).

26 Related party transactions

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

27 Reconciliation of net movement in funds to net cash flow from operating activities

	Total funds 2022	Total funds 2021
	£	£
Net movement in funds	(2,321,000)	1,021,236
Add back depreciation charge	5,835	5,876
Deduct interest income shown in investing activities	(435,277)	(427,925)
Deduct gains / add back losses on investments	1,798,446	(1,139,766)
Deduct gains / add back losses on investment properties	(21,828)	-
Decrease (increase) in debtors	171,911	(175,758)
Increase (decrease) in creditors	30,003	14,054
Net cash used in operating activities	<u>(771,910)</u>	<u>(702,283)</u>

Honorary Treasurer's Report to the 2022 AGM
of the Royal Engineers Association
7th October 2023

1. In the current state of global political and financial uncertainty, it is pleasing to reassure members that REA finances remain healthy. Black Rock has continued to ensure that our investments return a very satisfactory dividend (c£109k per quarter in 2022) and, overall, we continue to meet costs from current income.
2. The forecast deficit for 2022 was £811,375. The year closed on 31st December 2022 with a reduced deficit of £541,297 against budget. As in previous years the deficit was managed by judicious managing of spend, plus several generous legacies, and our cash flow remains healthy. The RE Days' Pay Scheme income remains buoyant as the Corps enjoys a period of over manning and a 95% uptake. However, this is a trend that will, inevitably, turn downwards as the size of the Corps reduces (as can be seen from 2025 onwards in Line Serial 1 of the enclosed budget) so will continue to be monitored by your committee. Regular weekly allowances were made to about 40 applicants, 1288 Christmas cards and 140 monetary gifts were distributed, and the annual grants to ABF (£60k) and SSAFA Forces Help (£30k) were made.
3. For your convenience a copy of the updated Forecast of Outturn for 2023 is attached. It will be seen that spend on Benevolence is running below budget. That said, we saw the same trend last year however, at year-end, exceeded our budget as costs continually increased putting more pressure on our Sapper Family.
4. The Budget Plan for 2024 -2028 is also attached. Significant 'outgoings' for 2024 are:
 - a. **Benevolence:** This remains a key part of our *raison d'être*. In 2022, £974,021 was spent against a budget of £819,250. This years' benevolence spend is covered above.
 - b. **Unit and Branch Support Grants:** This annual allocation of £100k to support worthwhile initiatives that are not supported through the Public Purse has continued to be welcomed by Units and Branches. 2022 again saw great success with more than £75k being disbursed to subsidise a wide range of initiatives which have materially improved the 'wellnesses of the recipients.
 - c. **Other Grants:** These are perennial allocations designed to improve the lived experience of the Sapper Family and include:
 - i. Adventurous Training - £68k. Bids in 2022 exceeded £52k as we see a return to normal with regards Adventurous Training. The Finance Committee will

- consider a request for the minimum grant per person (currently £50) to be increased to £75 but remain cognisant that, whilst other grants (higher formation and Army Adventure Training Group as well as Public funding) have been reduced, the Corps grant level has endured (based on personal contribution and the truly adventurous level of the expedition).
- ii. Op Tour Welfare Grants– max of £5k for major units; £2.5k for minor units. Annual budget £10k.
 - iii. Recruits ‘tribal’ RE items (e.g., stable belts, TRFs, Short History of the Corps etc) - £26k
 - iv. Sports Scholarships (for aspiring National/Olympic sportsmen/women). Various grants based on Level achieved – annual budget (based on numbers selected) c£24k.
- d. **RBLI:** The overall commitment to RBLI of £880k (over four years) continues to be serviced by payments which are linked to cash flow and paid after the quarterly dividend from investments has been received i.e., as far as possible, out of current income. The REA brought forward part of the 2023 instalment to assist the RBLI with cashflow blockages so the final payment of £160,000 was made in May 2023.
- e. **Salaries:** The REA Remuneration Board will sit in November to consider increases in annual salaries (with the associated NI and Pension contributions) for the RHQ REA team. The enclosed budget (at Line Serial 24) has a 4% uplift included to capitalise the Remuneration Board but this neither commits nor restricts them in their decision making which will be made in direct support of the developing REA strategy.

5. Investments:

- a. **Market Investments:** REA capital is invested in the Armed Forces Charities Growth & Income Fund. On 1st September this year (having sold units to generate £700k operating capital) the capital value (including the Kitchener Fund) was £9,878,603 compared to £11,468,450 in 2022 and £12,456,179 in 2021. No further capital was invested during 2022 although, following the arrival of several legacies in late 2022 and 2023, we will consider topping-up our portfolio until such time decisions are reached regarding the use of these legacies. Our portfolio manager, Black Rock, continues to achieve commendable results despite the continuing uncertainties of the market overall. Following the sale of investment units to realise working capital, the dividends in 2022 were still £435,277 compared with £427,925 in 2021.

b. **Investment Property:** At the end of 2021, the REA purchased a three-bed property in a new development in Ebbsfleet Valley for £475k. This was a conscious effort to diversify our portfolio in an uncertain market and generate rental income commensurate, as a minimum, to the yield returned from our market investments. I am pleased to report, the property was occupied within 5 days of completion and is currently producing a 5.2% yield. After fees and insurances, this delivers £24,540 per annum to the charity.

Kenneth Kirk

pp

Major (Retd) Ian Sidebottom
Corps Treasurer