

ROYAL ENGINEERS ASSOCIATION



THE SAPPER CHARITY

Trustees' report and financial statements For the year ended 31 December 2023



EMPLOYER RECOGNITION SCHEME

SILVER AWARD 2023

Proudly supporting those who serve.

The Royal Engineers Association

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**The Royal Engineers Association
Trustee's Report
For the year ending 31 December 2023**

The Board of Trustees present their annual report and the audited financial statements for the year ended 31 December 2023. 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 considered 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 sets out to ensure that grants are made in a speedy, efficient, and cost-effective way. This was achieved, and grants rose to £13,724 (£11,571 in 2022) for those in care homes and £90,540 for those living at home (£87,549 in 2022), from whom many letters of appreciation have been received. Special Christmas grants totalled £8,275 (2022: £8,855). The total number of benevolence cases considered in 2023 was 550, 4% more than the previous year with the total grants coming to £244,487 in 2023 compared to £211,445 in 2022.

The Kitchener Fund supported the education of 11 Sapper families with grants of £53,289.

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

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with grants of £25,000 to enable one to begin pilot training with the Charity Wings for Warriors, with the other beneficiary due to complete training in 2024 and begin working as a commercial pilot.

Sappers Network

Sappers Network continues to provide a jobs board for those leaving the Corps, this service is works with employers to provide access to a wide range of employment opportunities in the UK and overseas, a review of Sappers Network operations will be carried out in 2024 to improve awareness of the network to service leavers.

Grants Considered 2018 to 2023

<u>Year</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Disabled & Illness	66	110	80	145	116	166
Old age	25	6	4	13	22	41
Widows	22	43	41	38	45	63
Unemployed	133	115	119	119	76	128
Miscellaneous	100	91	94	106	210	124
No grant made	<u>204</u>	<u>88</u>	<u>62</u>	<u>87</u>	<u>120</u>	<u>31</u>
Totals	550	453	400	508	589	553

Other Grants

As in previous years, a Unit and Branch Support Grant of £100,000 was allocated from Capital Reserves for the year 2023. 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 2023 welfare grant was a success with 100% of the fund available being disbursed.

As a result of this changes were implemented for future CUBS 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. Further changes are planned for 2024 with the fund re-designated as the Community Unit and Branch Support Grant (CUBS Grant) from the restricted McCabe fund.

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.
- Cases requiring financial assistance greater than £1,000 (Chief Executive financial threshold increased from £500 in 2016) are referred to the REA Benevolence Committee that, since the increase in the Chief Executives' delegated powers, sits quarterly rather than monthly. Cases of an urgent nature that exceed the Chief Executive delegated powers are considered out-of-committee in consultation with the Chair 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.

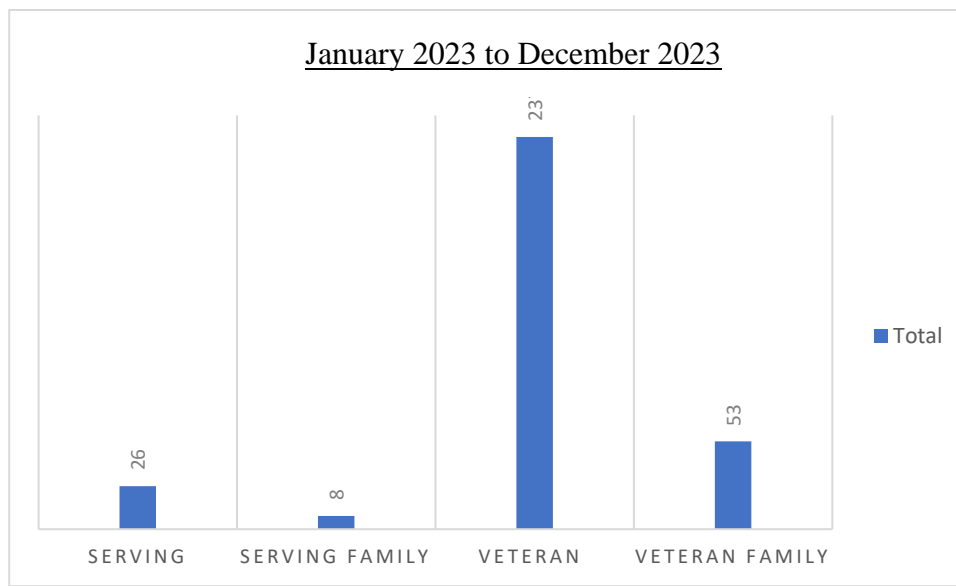
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2023 Benevolence Summary.

Benevolence in General 01 Jan – 31 Dec 2023

Serial	Data	2023	2022	2021
1	Number of cases assessed	550	527	449
2	Number of cases declined	204	169	135
3	Number of cases assisted	346	358	314
4	Number of weekly grants in care homes (£##):	£13,724 (Yearly)	11,571 (Yearly)	22,036 (Yearly)
5	Number of weekly grants at home (£##):	£90,540 (Yearly)	87,549 (Yearly)	90,289 (Yearly)
	Special Christmas Grants	£8,275	£8,855	£9,305
6	Total granted (£):	£244,487	£211,445	£228,644

Chart of demographic of personnel assisted by connection (Serving, Retired, Reserve, Spouse etc.)



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Chart of ages of personnel assisted.

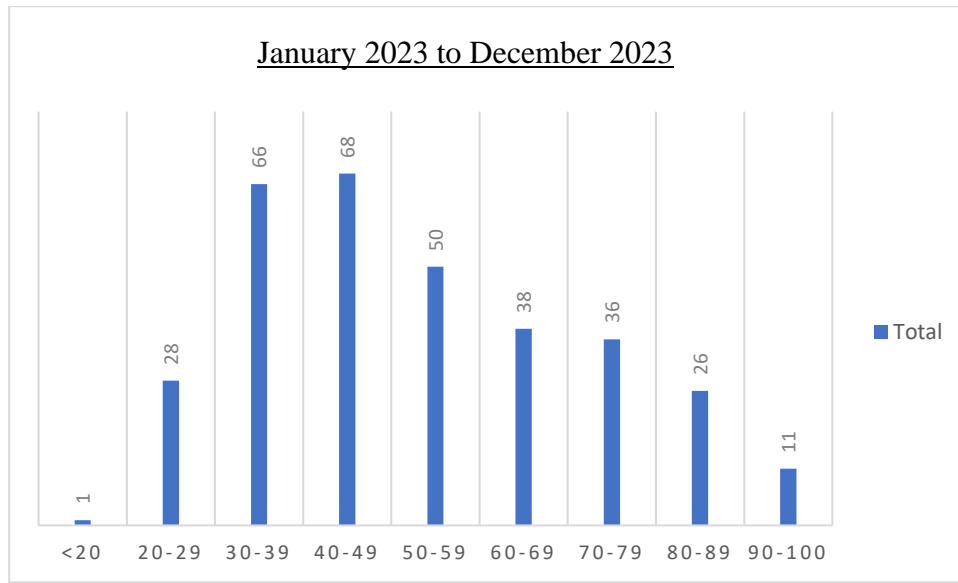
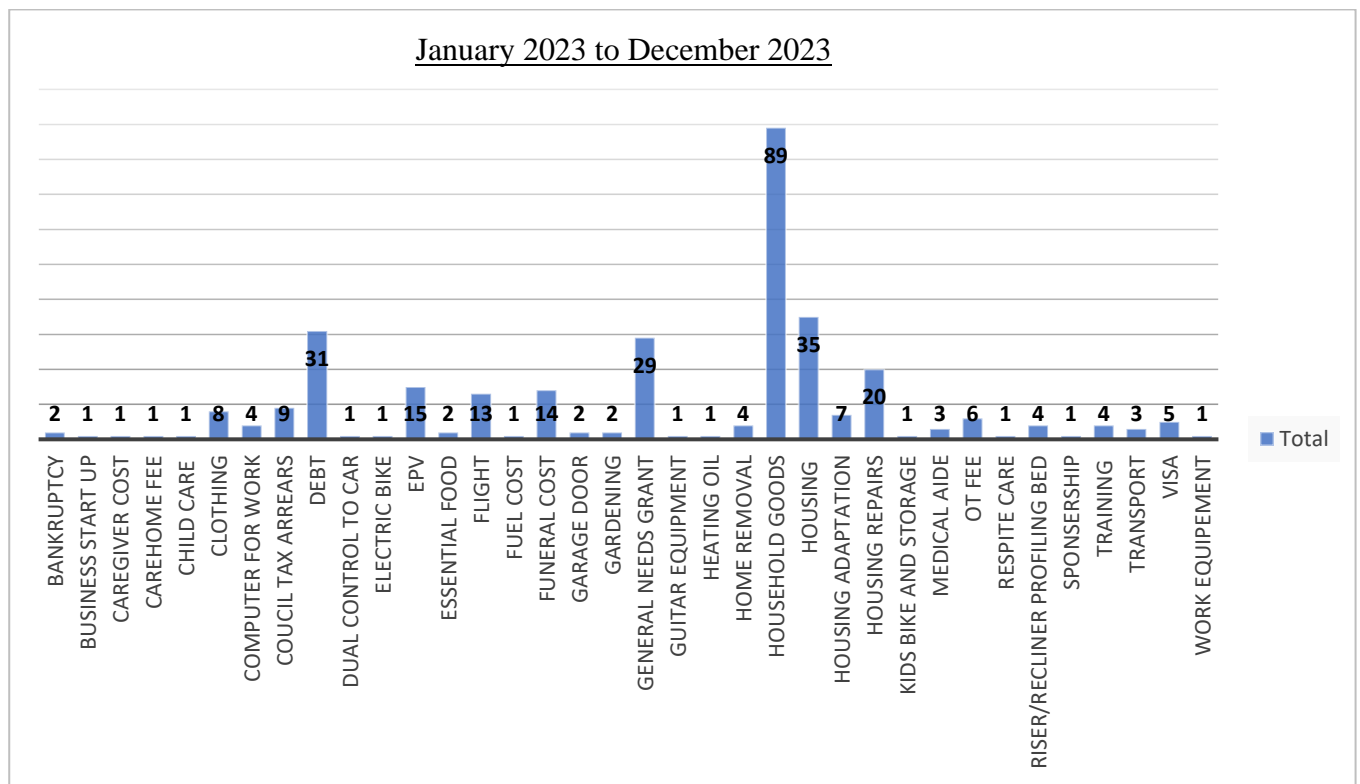


Chart of reason for benevolence



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Map of Cases

Chart -Cause of Benevolence Request – Health, Debt, Divorce etc.

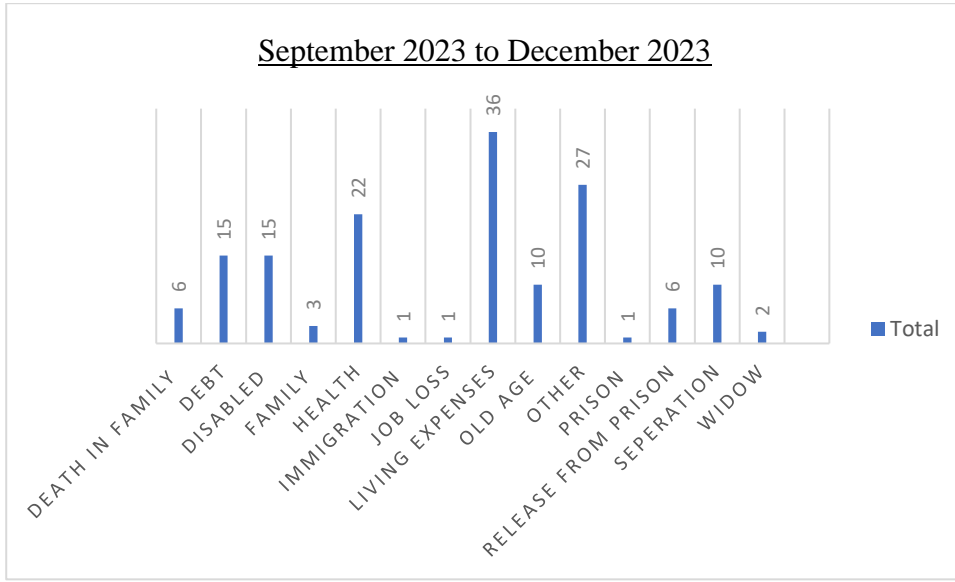
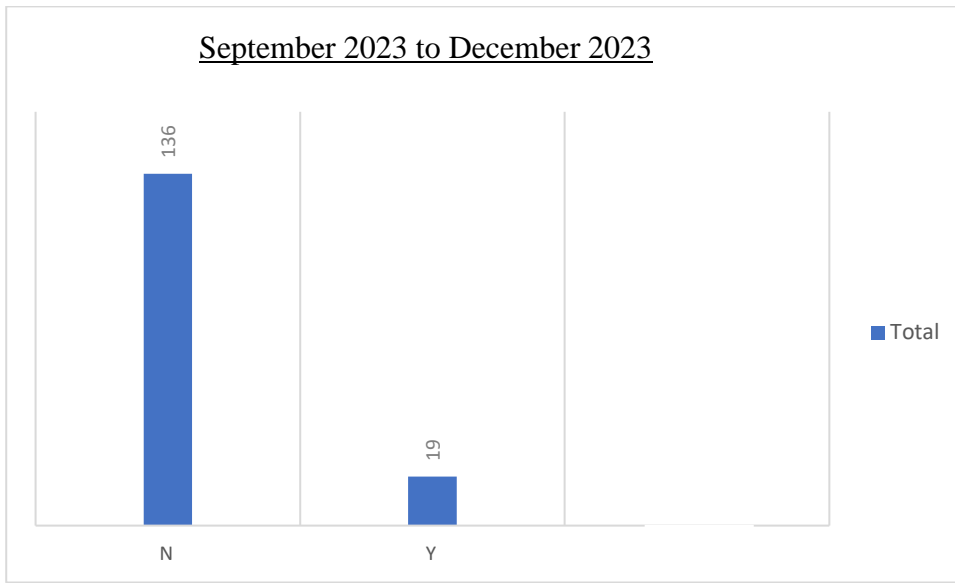


Chart Active Branch Member – Yes / No



Kitchener Fund: 11 dependants aided with this scheme total spent £53,289.
Garbiel Fund: 1 person funded 2023 £25,000.

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- Regular weekly allowances were made to 45 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.
- A grant of £66,000 was provided to ABF The Soldiers' Charity.
- A grant of £30,000 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.
- Units and Branches are regularly addressed by the Operations Director and other members of the REA HQ Team in a direct recruiting drive to encourage membership and awareness 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 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, individual members, units, supporters and sponsors 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. From 2024 the Association will be actively involved in Fundraising activities to ensure the sustainability of our support 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. Branches can also have the choice of having all funds administered by the REA fund manager in REA HQ.

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.

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2023 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 income before other recognised gains and losses was £38,101 (2022: Net expenditure £544,382). The Charity did not authorise any further funds for investment in 2023.

Balance Sheet

The accumulated funds increased by £71,628 to £12,163,258 (2022 decreased by £2,321,000 to £12,091,630). 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 £33,042 from £211,445 in 2022 to £244,487. Figures are now steadily recovering to pre-pandemic levels.

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 2023.

Investment performance

Investments delivered dividends of £406,809 in 2023 (2022: £417,306). During the period 1 January to 31 December 2023, the performance of the distribution units in the fund was +4.3% (2022: -10.6%) after fees and expenses. Since launch in September 2002, the fund has produced a return of +305.5%, +6.8% (2022: +330.1%, +7.4%). The fund's benchmark since inception has returned +344.2% and +7.2%. Investment property rental generated £24,540 (2022: £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 2023 and members were content that systems have been established to mitigate those risks identified.

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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 income of £38,101 (2022: net expenditure of £544,382) before gains on investments. Gains on investments amounted to £28,527 (2022: losses of £1,798,446) giving a positive net movement in funds of £71,628 (2022: negative net movement of £2,321,000). Gains on our investment property revaluation were £5,000 (2022: £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 £11,605,926 (2022: £11,462,915) 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 perform their role more effectively 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 2023-2027 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 which by December 2023 had been implemented.

1. All benevolence processing is now digital and online, all data is now held within the Mosaic database operated by SSAFA.
2. A new website has been launched moving most of our administration to digital space.
3. A new community platform has been introduced and made available to all members.
4. New branches are developing, and new social branches have been introduced. Increase outreach to Regiments with regular visits to units and presentations to recruits in phase 1 and phase 2 training.
5. Introduction of new areas of support through the Ballard fund and Gabriel fund and expansion of the reach of the Kitchener fund.
6. New classes of membership have been introduced to broaden the offer across the Sapper family.

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7. A fund management service is now being provided by REA HQ to enable branches to operate without having to have individual bank accounts and the need for treasurer to provide detailed accounts.
8. All applications for events and services are now available online.
9. A further strategic development is the planned introduction of fundraising activities in 2024.

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 conduct 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.

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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 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 2023.

A new REA website was launched in July 2023, this has proved to be remarkably successful and has had valuable feedback, traffic to the website has increased by 167%.

The new website has enabled the digitisation of most 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 2023 and a replacement select to commence with the Association in March 2023

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.

An extensive program of outreach visits have been conducted by the operations director and other members of REA HQ during 2023:

1. Eastbourne AGM – 15th April 23
2. Sub Unit Comd and SSM Conference – 4th May 23
3. Liverpool Benevolence Visit 8th May 23
4. Chesterfield Branch Meeting – 9th May 23
5. Sco & NI Gp Standard Bearer Competition – 20th May 23
6. National Memorial Arboretum 10th May 23
7. Bath and West Wilts - 12th May 23
8. 26 Engr Regt Unit Brief - 22nd May 23
9. Sapper v Gunner Rugby Match - 24th May 23
10. Peterborough Branch Meeting – 1st June 23
11. Founders Day – 8th June 23
12. Plymouth Branch Meeting – 29th June 23
13. Chepstow Branch Visit – 30th June 23
14. RAF Wyton (42 Engr Regt Geo) Open Day – 01 July 23

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15. Operation Herrick Memorial Rededication - 6th July 23
16. Weymouth Branch Meeting – 6th July 23
17. Korea War Parade, Royal Horse Guards – 27TH July 23
18. 3 RSME Regt Stable Belt Parade - 4th Aug 23
19. Hull Breakfast Club - 19th Aug 23
20. March Armed Forces Fair – 3rd Sep 23
21. Troop Commanders Brief - 7th Sep 23
22. 579 EOD Sqn Unit Brief – 17th Oct 23
23. Truro Branch Meeting - 19th Oct 23
24. 26 Engr Regt Online Brief - 7th Nov 23
25. Ilford EOD Sqn Brief – 19th Nov 23
26. NI Branch Winter Dinner - 19th Nov 23

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 2023 and into 2024

Plans for 2024

Continuing with our current strategy, 2024 has several important milestones to be achieved.

Sappercom will become the primary membership communication platform with a target of having two thousand users by the end of the year. 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.

Mission Activate – this is a recruitment initiative to encourage branches and groups to hold events to recruit new members for the Association. For 2024 we will continue look to increase the number of serving members and family members of the Association with the new membership types being expanded to include families

Marketing

REA HQ will develop a detailed marketing plan during 2024 to assist with our membership outreach and fund-raising activities.

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 14.

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.

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- (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 Director 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 Chief Executive'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 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

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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 Director who 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 Director 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 2023

REA Board of Trustees

Major General (retd) Alastair Dickinson CBE	President	
Brig (retd) Matt Bazeley OBE	Vice President & Chair Benevolence Committee	
Colonel (retd) Jonathan Ruddy	Honorary Treasurer & Chair Finance Committee	
Air Commodore (retd) Colin Basnett CBE	Service Charities	
Colonel Richard Hawkins MBE ADC	Corps Colonel	
Warrant Officer Class One Spencer Eardley	Corps Sergeant Major	
Lieutenant Colonel Martin Heffer RE TD	Reserves	
Colonel Claire James	Chair Recruiting Committee	
Mr Jeffrey Jupp	Governance	
Mr Rowan Adams	Chair Fundraising committee.	
Major General Lord Lancaster of Kimbolton	Trustee	
Mr Kenneth Kirk	Chief Executive	Chair Management Committee Secretary to Board of Trustees
Major (retd) Nick Gunnell	Operations Director	
Major (retd) Ian Sidebottom	Advisor	Corps Treasurer Secretary to Finance Committee

Charity registered numbers.

258322 and SC041832

Principal office

The Royal Engineers Association
Ravelin Building
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 2023**

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
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 17th May 2024

A handwritten signature in black ink, appearing to read 'A S Dickinson', with a long horizontal flourish extending to the right.

**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 2023 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 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 of 31 December 2023 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 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.

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 us. 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 based on 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, particularly 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 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.

A rectangular box containing a handwritten signature in blue ink that reads "Kreston Reeves LLP".

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham

Date: **31 July 2024**

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 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations & Legacies	3	1,828,080	-	1,828,080	746,670
Other trading activities	9	119,665	-	119,665	137,064
Investment income	10	409,816	21,725	431,541	435,277
Other income	11	57,388	-	57,388	40,128
Total income		2,414,949	21,726	2,436,674	1,359,139
Expenditure on:					
Raising Funds	12	3,600	-	3,600	1,101
Charitable activities	13	2,341,684	53,289	2,394,973	1,902,420
Total expenditure		2,345,284	53,289	2,398,573	1,903,521
Net expenditure before revaluations		69,665	(31,564)	38,101	(544,382)
Net gain on investments	19	26,931	1,596	28,527	(1,798,446)
Net Gains on property	20	5,000	-	5,000	21,828
Net movement in funds for year		101,596	(29,968)	71,628	(2,321,000)
Reconciliation of funds					
Total funds at 1 January 2023		11,462,915	628,715	12,091,630	14,412,630
Total funds at 31 December 2023		11,564,511	598,748	12,163,258	12,091,630

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

All activities relate to continuing operations.

The notes on pages 23 to 36 form part of these financial statements

The Royal Engineers Association

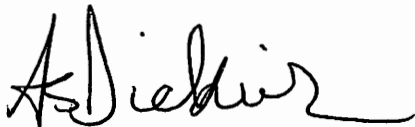
Balance sheet

For the year ended 31 December 2023

Charity Numbers: 258322 and SC041832

	Note	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	18		77,774		79,676
Investments	19		10,343,398		10,902,083
Investment properties	20		505,000		500,000
			<u>10,926,172</u>		<u>11,481,759</u>
Current assets					
Debtors	21	170,253		173,453	
Cash at bank and in hand		<u>1,140,787</u>		<u>511,261</u>	
		1,311,040		684,714	
Creditors: amounts falling due within one year	22	<u>(73,954)</u>		<u>(74,843)</u>	
Net current assets			<u>1,237,086</u>		<u>609,871</u>
Net assets			<u>12,163,258</u>		<u>12,091,630</u>
Charity Funds					
Restricted funds	23		557,332		628,715
Unrestricted funds	23		<u>11,605,926</u>		<u>11,462,915</u>
Total funds			<u>12,163,258</u>		<u>12,091,630</u>

The financial statements were approved by the Trustees on 17th May 2024 and signed on their behalf, by:



**Major General AS Dickinson CBE,
Chairman**



**Colonel JM Ruddy,
Honorary Treasurer**

The notes on pages 23 to 36 form part of these financial statements

The Royal Engineers Association

**Statement of Cash Flows
For the year ended 31 December 2023**

	Note	2023 £	2022 £
Net cash used in operating activities	27	<u>(388,866)</u>	<u>(771,910)</u>
Cash flows from investing activities			
Interest and dividends		431,541	435,277
Movement on branches fixed assets		(359)	3,715
Movement on Branch Investments		(12,789)	(7,637)
Purchase of investment properties		-	(478,172)
Disposal of fixed asset investments		600,000	700,000
Cash provided by (used in) investing activities		<u>1,018,393</u>	<u>653,183</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>629,527</u>	<u>(118,727)</u>
Cash and cash equivalents at the beginning of the year		511,261	629,988
Total cash and cash equivalents at the end of the year		<u>1,140,788</u>	<u>511,261</u>

Analysis of changes in net debt

	At 31 Jan 2023 £	Cashflows £	At 31 Dec 2023 £
Cash and cash equivalents			
Cash	511,261	629,527	<u>1,140,788</u>

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2023

1 General administrative information

Royal Engineers Association is an unincorporated charity in England & Wales and Scotland with the registration numbers 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 for the fore-see able 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 the 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 2023

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 £1,000 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 2023

Accounting policies (continued)

2.15 Taxation

The 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 2023**

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
		£	£	£	£
3 Donations & Legacies					
Donations	(Note 4)	79,067	-	79,067	147,357
Legacies	(Note 5)	1,228,307	-	1,228,307	88,419
Grants	(Note 6)	2,500	-	2,500	2,500
Subscriptions	(Note 7)	434,620	-	434,620	421,418
Donated services and facilities	(Note 8)	83,586	-	83,586	86,976
		1,828,080	-	1,828,080	746,670

All of the donations and legacies income was unrestricted in 2023 and 2022.

4 Donations

	£	£	£	£
General donations	63,077	-	63,077	120,994
Donations from branches	-	-	-	30
Tax refund	1,462	-	1,462	2,582
Website donations	7,988	-	7,988	23,751
Annual Dinner Receipts	3,540	-	3,540	-
Ijzendijke Receipts	3,000	-	3,000	-
	79,067	-	15,990	147,357

5 Legacies

	£	£	£	£
Legacies Brown/McCabe	1,228,307	-	1,228,307	88,419

6 Grants

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

7 Subscriptions and tax

	£	£	£	£
Membership	29,697	-	29,697	29,947
Grant from RECCT (represents 50% of Day's Pay Scheme subscriptions to RECCT)	404,923	-	404,923	394,471
	434,620	-	434,620	424,418

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2023

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
8 Donated services and facilities				
Gas	1,869	-	1,869	1,807
Electricity	2,131	-	2,131	2,131
Water and sewage	860	-	860	860
Community charge	5,686	-	5,686	5,686
Admin Utilities	1,524	-	1,524	1,478
MOD salaries	51,545	-	51,545	45,014
Admin Salaries	19,971	-	19,971	30,000
Total	83,586	-	83,586	86,976

9 Other trading activities

	£	£	£	£
Activity Generating Income	-	-	-	616
Esprit de Corps income	119,665	-	119,665	136,448
	119,665	-	119,665	137,064

10 Investment income

	£	£	£	£
Investment Property Rent	24,540	-	24,540	17,938
Dividends – Armed Forces Charities Fund	385,274	21,535	406,809	417,306
Bank interest	2	190	192	33
	409,816	21,725	431,541	435,277

Of the total investment income received; £431,541 (2022: £435,277), £409,816 was from unrestricted funds (2022: £414,466) and £21,725 was from restricted funds (2022: £20,811).

11 Other income

	£	£	£	£
Sundry income	26,108	-	26,108	14,449
Refund of Previous Years Grants	22,338	-	22,338	25,679
Stable Belts	8,942	-	8,942	-
	57,388	-	57,388	40,128

12 Raising Funds

	£	£	£	£
Recruiting	3,600	-	3,600	1,101

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2023

13 Charitable Activities

	Direct costs	Support costs	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Benevolence (Note 14)	750,346	192,609	942,955	955,031
Esprit de Corps (Note 15)	1,186,744	265,274	1,452,018	947,389
	1,937,090	457,883	2,394,973	1,902,420

£2,341,684 of the charitable activities expenditure was from unrestricted funds (2022: £1,843,836) and £53,289 was from restricted funds (2022: £58,584).

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023	2023	2023	2022
	£	£	£	£
14 Benevolence grants and allowances				
Direct costs				
Grants	321,240	53,289	374,529	290,870
Christmas grants	8,275	-	8,275	8,855
Weekly allowances	111,542	-	111,542	104,191
Army Benevolent Fund	66,000	-	66,000	60,000
SSAFA Families Help	30,000	-	30,000	33,970
Other charities	160,000	-	160,000	280,000
	697,057	53,289	750,346	777,886
Support costs				
Committee & Travel costs	4,291	-	4,291	1,985
Audit	4,920	-	4,920	4,200
Fees & Subscriptions	438	-	438	2,395
Insurance	1,186	-	1,186	750
Administration	12,466	-	12,466	29,162
Post & Telephone	4,518	-	4,518	4,475
Depreciation	110	-	110	292
Donated services support costs	28,052	-	28,052	24,788
Donated services MOD salaries	19,971	-	19,971	30,000
Staff costs	116,657	-	116,657	79,098
	192,609	-	192,609	177,145
	889,666	53,289	942,955	955,031

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2023

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
15 Esprit de Corps				
Direct costs				
Corps activities	950,350	-	950,350	432,538
Branch donations	22,229	-	22,229	24,565
Branch activities	201,685	-	201,685	243,678
Annual Conference	-	-	-	3,121
Sapper Sunday Lunch	1,596	-	1,596	1,295
Annual Dinner	10,884	-	10,884	5,264
	<u>1,186,744</u>	-	<u>1,186,744</u>	710,461
Support costs				
Committee & Travel costs	17,158	-	17,158	7,941
Audit	4,920	-	4,920	4,200
Fees & Subscriptions	438	-	438	2,395
Insurance	1,186	-	1,186	750
Administration	14,227	-	14,227	32,282
Post & telephone	4,518	-	4,518	4,475
Depreciation	2,099	-	2,099	5,543
Donated services support costs	35,563	-	35,563	32,188
Staff Costs	185,165	-	185,165	147,154
	<u>265,274</u>	-	<u>265,274</u>	236,928
	<u>1,452,018</u>	-	<u>1,452,018</u>	947,389

16 Net Income / Expenditure

This is stated after charging:	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	2,261	5,835
Auditor's remuneration	<u>9,840</u>	<u>8,400</u>

During the year, no Trustees received any remuneration (2022 - £NIL).

During the year, no Trustees received any benefits in kind (2022 - £NIL).

Trustees received reimbursement of expenses amounting to £Nil in the current year, (2022 - £Nil).

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2023**

	Total funds 2023 £	Total funds 2022 £
17 Staff costs		
Staff costs were as follows:		
Wages and salaries	265,220	198,570
Social security costs	21,006	14,083
Pension costs	15,597	13,599
	301,823	226,252

The average number of persons employed by the Charity during the year was as follows:

	No.	No.
Management and administration of the charity	17	14

The average headcount expressed as full-time equivalents was:

	No.	No.
Management and administration of the charity	9	8

The number of employees whose benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No	2022 No
In the band £70,001 - £80,000	1	1

The total employment benefits including employer pension contributions of the key management personnel were £83,654 (2022 - £63,745).

18 Tangible fixed assets

	Unrestricted Designated Fixtures & fittings £	Unrestricted General Property £	Unrestricted General Computer equipment £	Total £
Cost				
At 1 January 2023	86,200	115,591	25,651	227,442
Movement in branches fixed assets	359	-	-	359
At 31 December 2023	86,559	115,591	25,651	227,801
Depreciation				
At 1 January 2023	11,865	113,384	22,517	147,766
Charge for the year	50	1,615	596	2,261
		-	-	-
At 31 December 2023	11,915	114,999	23,113	150,027
Net book value				
At 31 December 2023	74,644	592	2,538	77,774
At 31 December 2022	74,335	2,207	3,134	79,676

The Royal Engineers Association

**Notes to the financial statements
For the year ended 31 December 2023**

19 Fixed asset investments

	Listed securities £	Branch Investments £	Total £
Market value			
At 1 January 2023	10,866,216	35,867	10,902,083
Disposals	(600,000)	-	(600,000)
Revaluations	28,526		28,526
Movement on branch investments	-	12,789	12,789
At 31 December 2023	<u>10,294,742</u>	<u>48,656</u>	<u>10,343,398</u>
Historical cost	<u>5,731,035</u>	<u>25,981</u>	<u>5,757,016</u>

Investments at market value comprise:

	2023 £	2022 £
Listed investments	10,294,742	10,866,216
Branch investments	48,656	35,867
Total market value	<u>10,343,398</u>	<u>10,902,083</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	
At 1 January 2023	500,000
Revaluation	5,000
At 31 December 2023	<u>505,000</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 2023**

21 Debtors

	2023	2022
	£	£
Other debtors	168,825	147,362
Prepayments and accrued income	-	26,091
Branch Debtors	1,428	-
	170,253	173,453

22 Creditors:

Amounts falling due within one year

	£	£
Branch creditors	2,043	728
Other creditors	71,911	74,115
	73,954	74,843

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2023

23 Statement of funds

Current Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Ballard Grants	-	-	-	181,332	-	181,332
Gabriel Grants	-	-	-	50,000	-	50,000
Branch funds	601,632	229,657	(223,915)	-	-	607,374
Total Designated funds	601,632	229,657	(223,915)	231,332	-	838,706
General funds						
General funds	10,861,283	2,424,734	(2,361,001)	(189,727)	31,931	10,767,220
Total Unrestricted funds	11,462,915	2,654,391	(2,584,916)	41,605	31,931	11,605,926
Restricted funds						
Kitchener Scholarship Fund	628,715	21,915	(53,289)	(41,605)	1,596	557,332
Total Restricted Funds	628,715	21,915	(53,289)	(41,605)	1,596	557,332
Total of funds	12,091,630	2,676,306	(2,638,205)	-	33,527	12,163,258
Prior 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

The Royal Engineers Association

Notes to the financial statements
For the year ended 31 December 2023

24 Analysis of net assets between funds

Current Year	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	77,774	-	77,774
Fixed asset investments	9,798,441	544,957	10,343,398
Investment properties	505,000	-	505,000
Current assets	1,298,854	12,186	1,311,040
Creditors due within one year	(73,954)	-	(73,954)
	11,606,115	557,143	12,163,258
	<hr/>		
Prior 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
	<hr/>		

The Royal Engineers Association

Notes to the financial statements For the year ended 31 December 2023

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 £15,597 (2022 - £13,599).

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 2023	Total funds 2022
	£	£
Net movement in funds	71,628	(2,321,000)
Add back depreciation charge	2,261	5,835
Deduct interest income shown in investing activities	(431,541)	(435,277)
Deduct gains / add back losses on investments	(28,526)	1,798,446
Deduct gains / add back losses on investment properties	(5,000)	(21,828)
Decrease (increase) in debtors	3,200	171,911
Increase (decrease) in creditors	(889)	30,003
Net cash used in operating activities	<u>(388,866)</u>	<u>(771,910)</u>

