

Royal Engineers Central Charitable Trust

Charity number: 1003032



## **Trustees' report and financial statements**

**For the year ended 31 December 2023**



**EMPLOYER RECOGNITION SCHEME**

**GOLD AWARD 2022**

Proudly supporting those who serve

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**Royal Engineers Central Charitable Trust**  
**Reference and administrative details of the charity**

**REGISTERED NUMBER**

1003032

**HEAD OFFICE AND REGISTERED OFFICE**

Headquarters Royal Engineers  
Brompton Barracks  
Chatham  
Kent  
ME4 4UG

**INDEPENDENT AUDITORS**

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

**BANKERS**

Lloyds Bank plc  
Coxs & Kings Branch  
PO Box 1000  
London  
BX1 1LT

**SOLICITORS**

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

**INVESTMENT MANAGERS**

BlackRock Investment Managers  
12 Throgmorton Avenue  
London  
EC2N 2DL

## **Royal Engineers Central Charitable Trust Trustees and advisers**

Trustees and advisers who served during the year ending 31 December 2023 were as follows:

**Lieutenant General Sir Tyrone Urch KBE**

Chief Royal Engineer and Chair (tenure complete September 2023)

**Lieutenant General Sir Christopher Tickell KBE**

Chief Royal Engineer and Chair (assumed post September 2023)

**Major General Richard Semple CBE**

Chair, Corps Finance Committee

**Major General Kev Copsey OBE**

Representative Colonel Commandant

**Major General Nick Cavanagh CB**

President, Institution of Royal Engineers

**Major General Alastair Dickinson CBE**

Chair, Royal Engineers Association

**Major General David Southall CBE**

Chair, Royal Engineers Museum

**Major General Bobby Walton-Knight CBE**

Chair, Royal Engineers Regimental Affairs Committee (tenure complete October 2023)

**Major General Eldon Millar MBE**

Chair, Royal Engineers Regimental Affairs Committee (assumed post October 2023)

**Brigadier Guy Boxall MBE**

Commandant Royal School of Military Engineering Group (tenure complete October 2023)

**Brigadier Jim Webster**

Commandant Royal School of Military Engineering Group (assumed post November 2023)

**Brigadier Dave Bickers MBE**

Commander, 8 Engineer Brigade (tenure complete August 2023)

**Brigadier Simon Carvel**

Commander, 8 Engineer Brigade (assumed post August 2023)

**Brigadier Chas Story MBE**

Chief Engineer Civil Military Interaction, HQ Allied Rapid Reaction Corps (tenure complete August 2023)

**Brigadier Irena Dzisiewska**

Chief Engineer Civil Military Interaction, HQ Allied Rapid Reaction Corps (assumed post August 2023)

**Colonel Dickie Hawkins MBE ADC**

Corps Colonel

**Colonel Alastair Cooper QVRM TD**

Corps Colonel (Reserves)

**Warrant Officer Class 1 Marc Elliott MBE**

Corps Sergeant Major (tenure complete June 2023)

**Warrant Officer Class 1 Spencer Eardley**

Corps Sergeant Major (assumed post June 2023)

**Mr Ambrose McGuire**

Non-Executive Director (tenure complete September 2023)

**Mr Russell Lovell**

Corps Secretary

**Major (retired) Ian Sidebottom**

Corps Treasurer

## Chair's Review



I would like to welcome you to the Royal Engineers Central Charitable Trust (RECCT) 2023 Annual Report and Financial Statements. The aim of this report is, as well as meeting our mandated legal requirement for audit, to demonstrate to stakeholders (which includes the entire Sapper Family) how we protect, manage, and utilise the charity's funds on your behalf.

The enclosed accounts demonstrate the high standard of financial management and governance required by law, managed and monitored by the Corps Finance Committee, and delivered by your staff in the Corps Funds department of Regimental Headquarters Royal Engineers. My thanks go to them all for their considerable dedication and continued hard work in support of the Sapper Family.

As was the case last year, I am pleased to report that our investments with the BlackRock run Armed Forces Charities Growth & Income Fund have continued to deliver increasing dividend payments. We have therefore been able to continue to increase the level of disbursements in support of the Corps. Our three investment properties continue to add diversity to our portfolio and currently generate around £50,000 per annum, after costs, to be used in support of our charitable aims. We will purchase a fourth property in 2024.

I would also like to make you aware that RECCT approved and introduced several new initiatives in 2023 for the benefit of the serving Corps (Regular & Reserve) including:

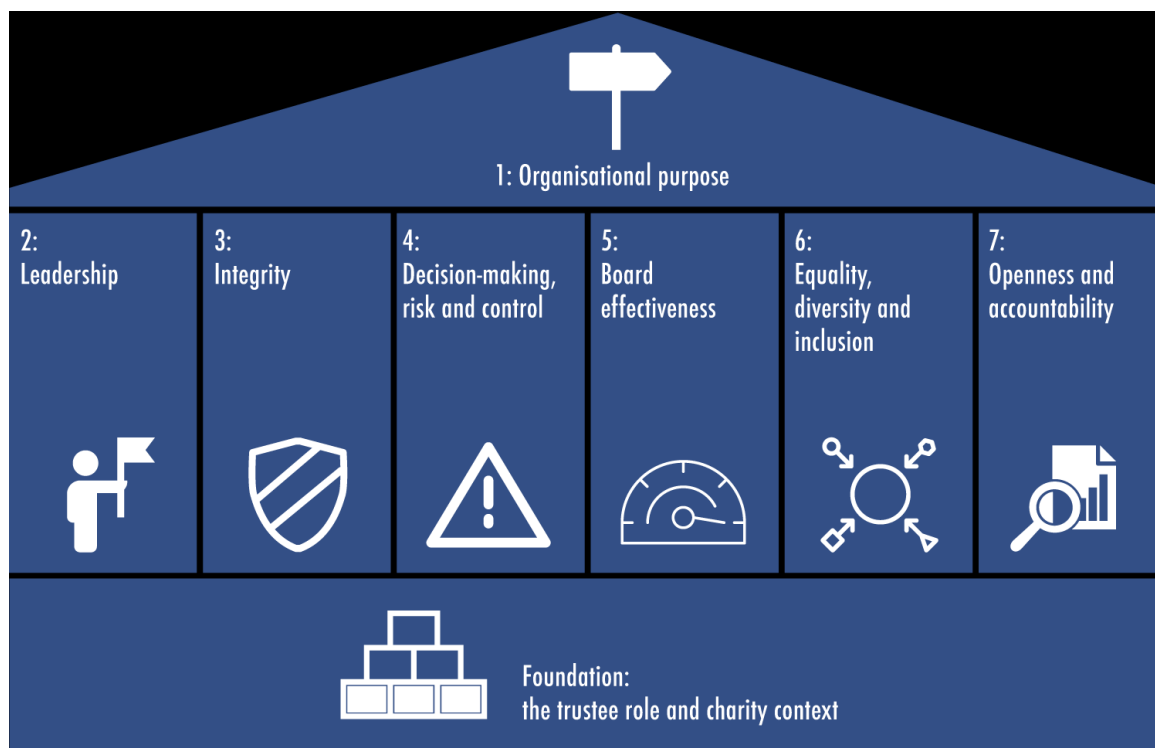
- A Corps flag 'refresh' programme, purchasing new unit and sub-unit flags across the Corps (£25,000);
- Regimental Activity Grants (£120,000 per year);
- Funding uniform and accoutrements for the Corps Senior Soldiers (on promotion to WO1) (£16,000 per year);
- Grants in support of all RE Sgts' Course dinners (£6,000 per year);
- Grants in support of all JNCO ALDP Course lunches (£3,000 per year).

Finally, the charity has again spent more than £300,000 this year in support of sport with Trustees continually discussing other opportunities to enhance the lived experience for the Corps of Royal Engineers.

Once a Sapper, always a Sapper.

Major General Richard Semple CBE

## Trustees' Report For the year ended 31 December 2023



The Trustees have reviewed their activities against the criteria set out within the latest (2020) Charity Governance Code (see above) and present their annual report and the audited consolidated financial statements of the charity and its subsidiaries 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 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. This is confirmed by the completion of a 'Going Concern Assessment' which was passed to our auditors. The Trustees have appointed professional advisers and other organisations to support them in delivering the charity's objectives. These advisers and organisations are listed on page 1. The Trustees have written agreements in place with each of them.

### **OBJECTIVES, AIMS AND ACTIVITIES**

Armed Forces charities today offer a broad range of services and support to the Armed Forces community which can range from enhancing quality of life through to direct assistance and intervention. Every charity has its own vision, mission, aim, as well as eligibility criteria to support a specific beneficiary group or groups. The objects of the Royal Engineers Central Charitable Trust, which were formally reviewed in 2020, and are reconsidered annually, continue to be:

- *"To promote the efficiency of the Armed Forces and in particular The Corps of Royal Engineers;*
- *To promote the activities of the Royal Engineers Association and the Institution of Royal Engineers, as laid down in their respective Charters;*
- *To foster an esprit de corps in the Royal Engineers;*
- *To relieve either generally or individually necessitous persons being members or former members of the Royal Engineers or the dependants of such persons."*

## **Royal Engineers Central Charitable Trust**

### **Trustees' Report**

#### **For the year ended 31 December 2023 (continued)**

Specific activities for 2023 were set by Trustees against 8 planned budgets. Further details are provided under Achievements and Performance. Trustees achieved their objectives for 2023 through a dedicated secretariat and maintaining annual income from:

- The Day's Pay Scheme (Regular and Reserve);
- Market Investments (dividends) and Investment Properties (rental income);
- Occasional legacies;
- Trading through our subsidiary Limited Company (RECE Ltd).

### **PUBLIC BENEFIT**

The Trustees confirm they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in deciding what activities the charity should undertake. The charity provides public benefit by assisting regular and reserve service personnel in the Corps of Royal Engineers to perform their roles and duties within the British Army more effectively. The charity also supports the veteran community and their families and thus enhances esprit de corps by promoting the concept of support to the Sapper family for life. It does this by providing the support funding for sports, adventurous training, in-house publications, welfare, gatherings, and events. The Charity promotes the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the UK and its interests. By supporting the wider Sapper family, it assists the Government in fulfilling its promise in the Armed Forces Covenant (which the RECCT signed up to in 2019) to treat Serving personnel, Veterans, and their families fairly. In 2022, for its commitment to serving the Armed Forces community, the RECCT was awarded a Gold Award under the Employer Recognition Scheme (ERS).

In addition to promoting the efficiency of the Army and, in particular, the military efficiency of the Corps of Royal Engineers by promoting Esprit de Corps, the work of the RECCT benefits the public by:

- Allocating 50% of the charitable income it receives from the Day's Pay Scheme to the Royal Engineers Association (REA) whose prime objective is to provide financial assistance to those in need and benevolence cases from serving and former members of the Royal Engineers and their families.
- Providing financial support to the Royal Engineers Museum, which is open to the general public and provides an educational outreach programme.
- Providing financial support to further education via the Institution of Royal Engineers.
- Providing financial support to serving officers and soldiers (Regular and Reserve) participating in sports & games and adventurous training.

### **ACHIEVEMENTS AND PERFORMANCE**

Trustees pursued the following activities against planned and authorised budgets:

1. Continued support to network charities.
2. Promoted esprit de corps throughout the Royal Engineers.
3. The publication of six 'The Sapper' magazines in 2023 (in print and digital format).
4. Financial support to 34 sports and games associations, unions and clubs, and several individuals who participated in high profile sports activities.
5. Maintained the Pension Plan Scheme for private employees compliant with Auto Enrolment legislation.
6. Introduced a 'Regimental Activity' fund of c£120k per annum.
7. Introduced grants to assist the Corps' Senior Soldiers (on promotion to WO1) to purchase additional uniform and accoutrements.
8. Continued to fund a Corps flag 'refresh' to ensure quality and branding were appropriate.
9. Introduced grants in support of formal dinners for Senior NCOs attending their Sergeant's Course.
10. Introduced grants in support of lunches for Junior NCOs during their Army Leadership Development Programme.
11. Generated income from investments (including investment properties).
12. Provided a retail service (in store, online, and 'on the road') for Corps memorabilia and related items.

**Royal Engineers Central Charitable Trust**  
**Trustees' Report**  
**For the year ended 31 December 2023 (continued)**

**Supporting Network Charities**

The historic Trustee arrangement that allocates a percentage from the Payroll Giving Scheme direct to nominated network charities provided them with the following income:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Royal Engineers Association	404,923	393,571
Institution of Royal Engineers	198,649	219,940
Royal Engineers Museum	50,000	50,000

**Grants to Foster Esprit de Corps**

Trustees authorised the following grants in 2023:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
RE Sports & Games	333,274	366,372
Communications Hub (incl The Sapper Magazine)	72,920	79,458
Esprit de Corps	226,848	120,338

**Publishing 'The Sapper' Magazine**

Trustees provided £72,920 (2022: £79,458) to fund the publication of an all ranks 'The Sapper' magazine. Some 4,000 copies of The Sapper magazine were published bi-monthly. Free copies of the magazine are sent to Regular Royal Engineer units for the benefit of the officers and soldiers who subscribe to the RECCT. Free copies were also sent to Royal Engineer Reserve units, affiliated Army Cadet units, Royal Engineer officers and soldiers serving in non-Royal Engineer units. The Sapper continues to be well received both by units and individuals, including former members of the Corps and Royal Engineers Association branches, who make a donation. The Sapper provides a focal point in publicising the Corps' activities and in engendering esprit de corps. The Sapper magazine has been remodelled and is now a hybrid, print and digital, publication. The Sapper magazine now sits within the Corps Communications Hub and enhances the Corps' opportunities to deliver consolidated messaging across both social media and print.

**Supporting Corps Sports Clubs**

Trustees approved financial grants supporting more than 5,000 personnel (serving and veteran) through 34 sports associations, unions, and clubs. This included two new sports club this year (Volleyball & Jiu Jitsu).

**Optimising Income from the Days Pay Scheme (DPS)**

Since 1 April 2007, DPS subscriptions have been collected by a Payroll Giving scheme via the Joint Personnel and Administration (Centre). On 1 April 2007 officers' subscriptions, including an element for their membership of the Institution of Royal Engineers and the Royal Engineers' Association, increased from 150% to 160% of a day's assessable pay per annum. Officers also make a voluntary subscription of 70% of a day's assessable pay to the Royal Engineers Headquarter Mess. Soldiers' subscriptions increased from 100% to 110%. Warrant Officers' and Senior Non-Commissioned Officers' elected to increase their subscriptions from 110% to 115% in August 2010. The 5% increase being used to set up a new designated fund for their use. In 2012 serving soldier subscriptions were increased to 120% and 125%. Reserves officers and soldiers have been able to make annual contributions (12%) via JPA since 2015 which, since 1 October 2023, has been increased to 20%.



**Royal Engineers Central Charitable Trust**  
**Trustees' Report**  
**For the year ended 31 December 2023 (continued)**

**Generating Income & Growth from Investments**

Investments delivered dividends of £333,068 in 2023 (2022: £338,766). 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%. Details of the Corps Investment Powers, House and Policy are contained in the Financial Review of this report.

In 2019, the Charity realised investment units and purchased two houses in a local development (previously the site of a Royal Engineers barracks). The rationale being to diversify during a difficult market period whilst generating an additional funding stream, through rental income. Both houses are occupied and generated rental income of £25,356 in 2023 (2022: £25,118). This 4.2% yield is in line with RECCT Trustee direction. The charity completed its purchase of a third property (in the Ebbsfleet Garden City development) in Q1 of 2022 which has, in 2023, generated rental income of £24,540 (a 5.2% yield). Trustees agreed to approve the purchase of a fourth (and final) property in 2024 whilst remaining cognisant of the changes in the property market.

**FINANCIAL REVIEW**

**Summary**

The consolidated account generated net expenditure for the charity, before other recognised gains and losses, of £95,239 (2022: net income of £82,711).

The accumulated funds of the Charity decreased by £7,426 to £10,162,352 (2022: decreased by £1,250,586 to £10,169,778). The consolidated funds decreased by £8,876 to £10,186,055 (2022 decreased by £1,247,774 to £10,194,931).

**Balance Sheet**

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

**Investment Powers**

The Trust Deed provides full and unrestricted powers of investment to the Trustees, who sub-delegate investment decisions to a professional Investment House, within the parameters of overall guidance by the Trustees.

**Investment House & Policy**

RECCT invests in the Armed Forces Charities Growth & Income Fund, managed by BlackRock. The aim of the Fund is to provide a return on investment (net of fees) over a period of 5 or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. Further investment details are given in the notes to the financial statements. No additional investment units were purchased in 2023.

**Investment Environment, Social, and Corporate Governance (ESG)**

The BlackRock Armed Forces Growth & Income Fund actively seeks out investments they believe are well aligned to the increasing preference for charities to invest in environmentally sustainable companies. These thematic investments not only provide diversification to the Fund but also ensure that client's capital is being used to drive positive change. An example of this within the Fund is the investments in renewable energy and energy efficiency exposures. BlackRock identified renewable energy as a sector that needed capital back in 2013 and which presented a good investment opportunity as well as driving positive environment change. They have also identified energy efficiency as a sector which requires capital in order to help retrofit heating systems in buildings and provide solutions to energy waste, something that will be key to achieving net-zero commitments by 2050. More recently they have allocated to battery storage technology to help address the intermittency issues associated with renewables, in order to facilitate their continued roll-out.

**Royal Engineers Central Charitable Trust**  
**Trustees' Report**  
**For the year ended 31 December 2023 (continued)**

Where BlackRock do hold oil and mining companies, they do so selectively with those companies that have clear and credible plans for a transition to net zero, including investment in renewable energy projects and associated technology. Accelerating the transition to net-zero is critical and will require significant investment in renewables, however, in the interim the world will continue to require fossil fuels to prevent a disorderly transition and the social implications that will have. BlackRock are committed to holding companies to account on issues such as climate change and they leverage their position as a major shareholder to encourage positive environmental and societal change on behalf of their clients.

### **Reserves Policy**

The account posts net expenditure of £95,239 (2022: net income of £82,711) before realised and unrealised gains. Losses on investments amounted to £534 (2022: losses of £1,436,814), and gains on revaluations of fixed assets were £86,897 (2022: £106,329) giving a negative net movement in funds of £8,876 (2022: negative net movement of £1,247,774). Trustees review the reserves policy and investments during the annual budgetary cycle.

The Charity is heavily dependent on current members of the Corps supporting the Day's Pay Giving Scheme (c30% of total income). Any major change in the structure or strength of the Corps could impact the levels of future support available to the Sapper Family. 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. With high inflation and deposit rates very low, this year has again highlighted the need to consider ways to mitigate the impact of price and salary increases (wage inflation) on our long-term objectives. The performance of the Charity's investment portfolio is subject to global market movements and, while the present value of the portfolio produces (generally) 30% of total required income, the value and/or dividend income can fluctuate, potentially markedly, due to market volatility. The aim of our Reserves is to ensure the charity thrives and survives.

To mitigate the identified financial risks, adequate reserves are required to meet the Charity's objectives. Reserves should be able to meet potential operational shocks and increases in demands whilst also enabling Trustees to deliver on the Charity's objects. The Charity's commitment is to support the Sapper Family now and particularly in the future. Therefore, Trustees have assessed the level of reserves and related investments required to meet these contingencies and to mitigate against the current risk profile, to be in the range of £10 million. Lastly, high inflation means cash could be losing its value in real terms, so cash reserves are being invested. Current unrestricted reserves are £10,186,055 of which £55,173 is shop stock (2022: £10,194,931 of which £62,217 was shop stock) which Trustees consider is consistent with this policy. £52,615 of our unrestricted reserves are designated funds.

### **Grant Making Policy**

Trustees invite applications from network charities and organisations, external establishments with a past or extant connection to the Corps and from individuals who subscribe to the Days' Pay Scheme who embark on major sporting or challenging pursuits. Details of how to apply for routine or annual grants are communicated in writing to network charities and organisations, briefings to new subscribers or by telephone to the Corps Treasurer. Details of grants made in 2023 are covered under Achievements and Performance.

### **Remuneration Policy**

Privately employed personnel working for the RECCT have their salaries authorised by the appropriate charity committee, agreed by means of an individual employment contract, and are paid from the appropriate charity fund. As far as possible, salary scales are to be linked to the Civil Service pay system with staff placed on the initial 'starters rate' salary for the agreed Civil Service pay band (this to be expressed in their contract of employment). Payment is made through a registered PAYE payroll via the respective charity. Corps Colonel RE is responsible to Trustees for ensuring parity where appropriate. In line with extant Civil Service policy, the charities operate an in-year reward scheme for exceptional performance with Corps Colonel RE as the arbiter for the scheme to ensure parity across all charities. Trustees are not paid by the charity for their services as a Trustee but are reimbursed for expenses incurred during performance of their duties, in accordance with the Trustee's agreed policy.

**Royal Engineers Central Charitable Trust  
Trustees' Report  
For the year ended 31 December 2023 (continued)**

**Equality, Diversity & Inclusion**

Our female beneficiaries make up approximately 3% of the serving Corps of Royal Engineers (9% are officers and 2% soldiers) with the Army as a whole being 10.2% female (as at 1 April 2023). Reporting in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017: 67% of RECCT staff are female and 33% male. There is no pay gap between male and female staff who carry out the same job, similar jobs, or work of equal value and there is no ethnicity pay gap. The Corps of Royal Engineers, like the rest of the Army, is proud to be ethnically diverse and inclusive. Lastly, 33% of RECCT employees are veterans or veteran's spouses.

**PLANS FOR FUTURE PERIODS**

The RECCT plans to:

- Continue to develop the RECCT short, medium, and long-term financial planning and forecasting.
- Continue to review investment property opportunities to enhance our income generation portfolio.
- Continue to maintain the RE Private Pension Plan, in line with Auto Enrolment legislation.
- Monitor, review and refine the RE Days Pay Scheme.
- Support the Regular & Reserve Corps with gradual transition from QEII cypher to CRIII (including cap badges, belts, flags etc).
- Fund the launch of the latest volume (Volume XIII) of the History of the Corps of Royal Engineers.
- Assist Royal Engineers units with funds to purchase portraits of Their Majesties King Charles III and Queen Camilla.

**SUMMARY**

The Trustees remain confident of their ability to continue to meet the Objects of the Charity in the future.

**INDEPENDENT AUDITORS**

Kreston Reeves LLP remained the Trustees' choice as charity auditor.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Trust Deed**

The Royal Engineers Central Charitable Trust (RECCT, Charity number 1003032) Trust Deed dated 14 March 1991 was made by the Members of the Chief Royal Engineer's Committee (the Original Trustees). The Trust Deed allowed the Original Trustees to remain as Trustees whilst they continued to serve on the Chief Royal Engineer's Committee. The Original Trustees have been superseded by new Members of the Chief Royal Engineer's Board, all of whom have indicated their willingness and eligibility to serve as Trustees.

**Background**

The RECCT combined and superseded the former funds called the 'Royal Engineers Officers' Charitable Fund' and the 'Royal Engineers General Charitable Purposes Fund'. These funds were classified as excepted from registration as charities under the provisions of Statutory Instrument 1965 No.1056 being charities "*wholly or mainly concerned with the promotion of the efficiency of any of the armed forces of the Crown....*" Due to the increasing size of their assets and on advice sought from the Charity Commission, action was taken to draw up a Deed of Trust and to have the RECCT formally registered as a Charity.

**ORDERS AND RESOLUTIONS**

Based on subsequent resolutions made by the Trustees, the Charity Commissioners have approved:

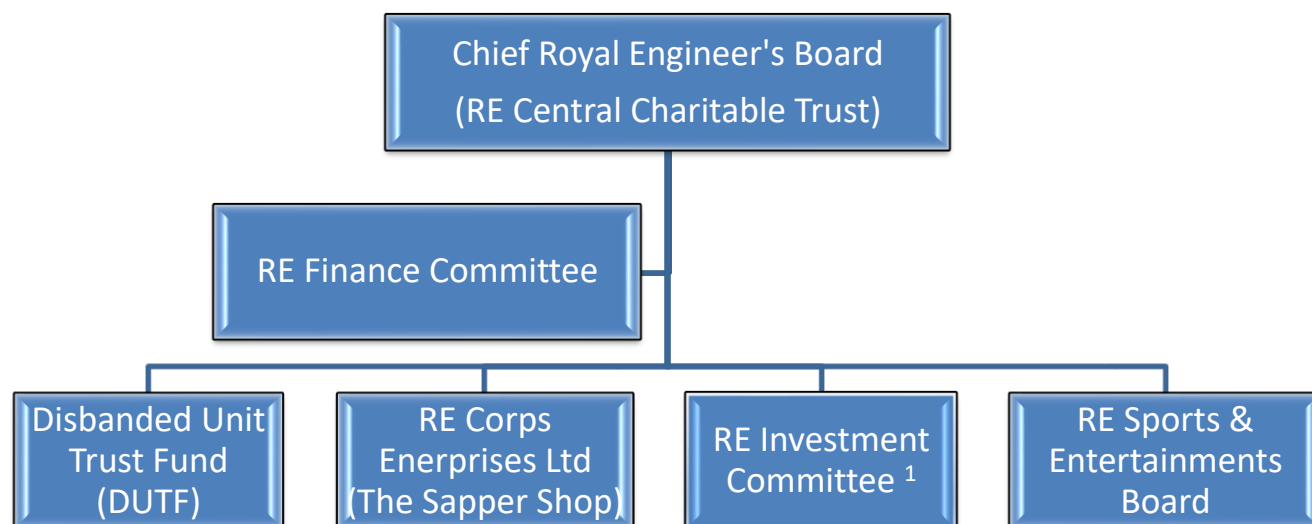
**Investment**

An Order providing the Trustees power to appoint an investment manager and to delegate to him/her discretionary powers in relation to the Charity's investments.

## **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.

## **ORGANISATION**



*Note 1: RE Investment Committee dormant (see below).*

At their quarterly Trustee meetings members of the Chief Royal Engineer's Board agree the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves, risk management, HRM policies and performance. The Trustees are served by subordinate committees with delegated responsibility for fulfilling their role, each chaired by a Trustee who is responsible for reporting back to the Chief Royal Engineer's Board. The subordinate committees are:

### **- RE Finance Committee**

In 2009 Trustees approved Terms of Reference for the RE Finance Committee which were reviewed in 2017 as part of The Chief Royal Engineer's governance policy review and again in 2019 as part of the Corps' Quinquennial review. The Committee advises the Trustees on financial policy and the control of funds based on an annual budget system incorporating a five-year forecast.

### **- RE Investment Committee**

This Committee fulfils a combined responsibility together with nominated representative Trustees of the connected charities i.e. The Royal Engineers Association, Charity Nos. 258322 and SC041832, The Institution of Royal Engineers, Charity No. 249882, and the Royal Engineers Vocational Educational Training Trust (REVETT), Charity No. 1068709, to lay down a detailed generic investment policy for the Corps Charities and for informing the investment manager of the extent of the investment powers for each Charity and for all other matters laid down in the Order for the delegation of investment powers. Since joining the Armed Forces Common Investment Fund (AFCIF) the need for regular committee meetings diminished. It is still considered appropriate to remain in the AFCIF (now a CAIF) with future meetings being held at the discretion of the Chair or a convincing request by a committee member.

### **- RE Sports and Games and Entertainments Board**

Responsible for vetting and recommending to Trustees, via the RE Finance Committee, the level of annual grant appropriate to recognised Corps Sports, Games, and other challenging pursuits. Responsible for the annual review and allocation of funds from the Corps entertainment and esprit de corps budgets and for making grant recommendations to Trustees, via the Corps Finance Committee. Responsible for drafting relevant policy (sponsorship etc) for approval by the RE Finance Committee.

**Royal Engineers Central Charitable Trust  
Trustees' Report  
For the year ended 31 December 2023 (continued)**

**RHQ RE**

Day to day administration of the RECCT is vested in RHQ RE. Grant applications are processed to the relevant sub-committee by the Corps Treasurer who administers and accounts for approved grants.

**TRUSTEES**

The Trustees who served during the year are detailed on page 2. Trustees (part of Chief Royal Engineer's Board) held formal meetings in February, July, and December 2023. In July they approved the 2022 Statement of Financial Affairs and in December reviewed their 2023 expenditure prior to authorising annual budgets for 2024. The Corps Finance Committee met in June and October.

**Appointment of Trustees**

New Trustees are invited to hold office after discussion by the appropriate committee and at the personal invitation of the Chief Royal Engineer or his nominated representative. As part of their induction process each Trustee is provided with a copy of the Trust Deed, a copy of the Charity Commission leaflet explaining the responsibilities of Trustees, a locally produced Trustee Handbook and copies of the Charity's fraud policy, conflict of interest policy, whistleblowing policy, and access to previous audited accounts. Each Trustee signs a certificate to confirm their eligibility and willingness to act as a Trustee. In 2023 new Trustees attended formal Charity Trustee Training Programmes (run virtually) and several existing Trustees undertook refresher training. People with Significant Control (PSC) and all Conflicts of Interest (actual or perceived) are recorded in registers held and maintained by the Corps Treasurer.

**NETWORK CHARITIES**

**THE ROYAL ENGINEERS ASSOCIATION**

The responsibility for undertaking all benevolence work on behalf of the Corps is vested in the Royal Engineers Association (REA). In addition to using their accrued trust funds, investment income and occasional legacies for benevolence purposes, the REA, receive 50% of the Day's Pay Scheme income received by the RECCT for charitable purposes. A separate Trustees' annual report is prepared by the REA together with the Charity's financial statements, Charity Nos. 258332 and SC041832.

**THE INSTITUTION OF ROYAL ENGINEERS**

The Objects of the Institution of Royal Engineers, as set out in its Royal Charter and Bye-Laws, are to promote and advance the science of military engineering and to promote military efficiency and particularly the military efficiency of the Corps of Royal Engineers. In addition to using their accrued trust funds and investment income for this purpose, the Trustees of the Institution, which routinely includes members of the Chief Royal Engineers Board, receive 71.5% of the income drawn down from serving officer contributions (gathered via payroll giving), and since 2012, received payroll giving scheme contributions from serving WOs & SNCOs (5%) and Junior Ranks (5%). A separate Trustees' Annual Report is prepared by the Institution of Royal Engineers together with the Charity's financial statements, Charity No. 249882.

**THE ROYAL ENGINEERS MUSEUM (REM)**

Overall control of the Royal Engineers Museum (REM) is vested in the Trustees of the Institution of Royal Engineers. Financial support towards the running costs of the Museum is provided by The Institution of Royal Engineers and the RECCT. Financial control of the Museum is delegated to the Royal Engineers Museum Committee which draws up an annual budget against planned activities for Trustee approval. A separate Trustees' report is included with the Statement of Financial Affairs prepared by the Royal Engineers Museum, Charity No. 295173.

**Royal Engineers Central Charitable Trust**  
**Trustees' Report**  
**For the year ended 31 December 2023 (continued)**

**TRUST FUNDS OF DISBANDED UNITS AND ESTABLISHMENTS**

The Trust Deed dated 8 March 1957 was made by members of the Chief Royal Engineer's Committee (the original Trustees). The Trustees operate under the terms of a Scheme approved and established on 8 March 1957 for the regulation of the Trust Funds of Disbanded Units and Establishments (DUTF) of the Corps of Royal Engineers "Central Charities" comprising:

- Officers' Mess Funds;
- Warrant Officers' and Sergeants' Mess Funds; and
- President of the Regimental Institute (PRI) Funds

On 13 December 2007, the Trustees passed a resolution, subsequently supported by the Charity Commission, to transfer the remaining assets in each fund to a restricted fund within the RECCT. The last separate Trustees' report and statement of financial affairs for the DUTF was issued by the Chief Royal Engineer's Committee in 2007. The final funds from the DUTF were expended in 2023 in support of a Corps-wide (Regular & Reserve) 'flag refresh' programme although the fund will remain open to receive any subsequent income from disbanded RE units.

**ROYAL ENGINEERS NETWORK**

**RE HQ Mess**

In 2023, The Royal Engineers HQ Mess was converted from an Excepted Charity (under the provisions of the Charities (Exception from Registration and Accounts) Regulations 1965 (Statutory Instrument 1965 No.1056)) to a Registered Charity, Charity No 1202413.

**RE Establishments and Units**

As well as receiving an annual grant, Royal Engineer establishments and regular/reserve/hybrid units are invited to seek and justify additional grants to offset the cost of entertainment that they undertake for the benefit of the Corps as opposed to the individual establishment or unit. The Corps Entertainment Committee review each bid and make grant recommendations to Trustees via the Corps Finance Committee. In 2022, to recognise the increased costs involved, the Committee agreed, with effect from 2023, to increase all entertainments grants by 10% and in 2023 agreed to uplift 2024 allocations by a further 10%.

**RE Sports Clubs**

RHQ RE, through the RE Sports Board, has approved thirty-four Corps Sports & Games Clubs. Each sport and club are managed by a designated Chair, Manager and Treasurer. Club Chairs are invited to seek and justify financial support for their planned activities each year through the RE Sports and Games Board.



**RISK MANAGEMENT STATEMENT**      *What could stop us achieving our aims?*

The Trustees review risks to which the Charity is exposed at each of their meetings. The basis of the review is a Risk Management Matrix that identifies and defines the risk, its impact and likelihood, and those mitigation measures the Trustees feel need to be applied. The Risk Management Matrix was reviewed by the RE Finance Committee on 20<sup>th</sup> October 2023 and Chief Royal Engineer's Board on 6<sup>th</sup> December 2023 with Trustees satisfied that appropriate internal controls are in place and remain effective with systems established to mitigate those risks identified.

**Royal Engineers Central Charitable Trust**  
**Trustees' Report**  
**For the year ended 31 December 2023 (continued)**

**Key Risks**

The two key risks identified to which the charity could be exposed are shown below:

<b>Risk</b>	<b>Consequence</b>	<b>Impact</b>	<b>Likelihood / Trend</b>	<b>Mitigation/Preventative Action</b>
Failure to generate sufficient income to cover planned / known expenditure	<ul style="list-style-type: none"> <li>• Failure to deliver outputs</li> <li>• Failure to meet charitable objects</li> <li>• Failure to sustainably finance our people</li> <li>• Members withdrawing from RE Days Pay Scheme (RE DPS)</li> <li>• Loss of credibility and reputation</li> <li>• Degradation of existing capital / investments</li> </ul>	<b>Medium</b>	<b>Medium</b> 	<ul style="list-style-type: none"> <li>• Robust financial reserves policy and prudent investment</li> <li>• Monitor Corps manning strength and contributions to RE DPS (Regular and Reserves) to identify trends</li> <li>• Produce accurate monthly FOOs</li> <li>• Link budgets to business planning and Charitable Objects</li> <li>• Promote legacy giving and donations</li> <li>• Ensure max long-term occupancy of Corps property portfolio minimising 'void' periods</li> </ul>
Significant reduction in Public funding	<ul style="list-style-type: none"> <li>• Inability to deliver Chief Royal Engineer's mandated outputs</li> <li>• Corps' charities forced to fund additional staff costs</li> <li>• Inability to preserve and maintain Regimental identity and resilience</li> <li>• Over-reliance on Colonels Commandant</li> </ul>	<b>High</b>	<b>Medium</b> 	<ul style="list-style-type: none"> <li>• Improve financial planning and forecasting</li> <li>• Promote sponsorship for Sapper Sport</li> <li>• Monitor financial reserves policy</li> <li>• Continue to promote RE Reserves Days Pay Scheme</li> </ul>

**Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102) (2019);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

**Royal Engineers Central Charitable Trust**  
**Trustees' Report**  
**For the year ended 31 December 2023 (continued)**

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Memorandum of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Approved by the Trustees**  
**and signed on behalf of the Trustees**

A handwritten signature in black ink, appearing to be 'RBH', written in a cursive style.

**Colonel RB Hawkins MBE ADC**  
**Trustee**

**12<sup>th</sup> July 2024**



## **Royal Engineers Central Charitable Trust**

### **Independent Auditor's report to the Trustees of the Royal Engineers Central Charitable Trust**

We have audited the financial statements of Royal Engineers Central Charitable Trust (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 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 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 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 as a whole 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 are capable of detecting 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 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.

**Royal Engineers Central Charitable Trust**

**Independent Auditor's report to the Trustees of Royal Engineers Central Charitable Trust (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 handwritten signature in blue ink that reads "Kreston Reeves LLP". The signature is written in a cursive style and is enclosed within a light blue rectangular border.

**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.

**Royal Engineers Central Charitable Trust**

**Consolidated statement of financial activities  
For the year ended 31 December 2023**

	Note	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	3	764,593	-	764,593	813,673
Other trading activities	7, 8	251,581	-	251,581	249,609
Investment income	9	383,501	-	383,501	381,422
Charitable activities	10	4,200	-	4,200	4,200
<b>Total income</b>		<b>1,403,875</b>	<b>-</b>	<b>1,403,875</b>	<b>1,448,904</b>
<b>Expenditure on:</b>					
Raising funds	8	248,256	-	248,256	234,521
Charitable activities	11	1,250,858	-	1,250,858	1,131,673
<b>Total expenditure</b>		<b>1,499,114</b>	<b>-</b>	<b>1,499,114</b>	<b>1,366,194</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(95,239)</b>	<b>-</b>	<b>(95,239)</b>	<b>82,711</b>
Net loss on investments		(534)	-	(534)	(1,436,814)
Net gains on revaluations of tangible fixed assets		86,897		86,897	106,329
<b>Net movement in funds for the year</b>		<b>(8,876)</b>	<b>-</b>	<b>(8,876)</b>	<b>(1,247,774)</b>
Total funds at 1 January 2023		10,194,931	-	10,194,931	11,442,705
<b>Total funds at 31 December 2023</b>		<b>10,186,055</b>	<b>-</b>	<b>10,186,055</b>	<b>10,194,931</b>

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 37 form part of these financial statements.

Royal Engineers Central Charitable Trust

Consolidated balance sheet  
As at 31 December 2023  
Charity Number: 1003032

	Note	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Tangible assets	23		213,129		227,356
Investments	24		7,978,032		8,858,566
Investment properties	25		1,295,000		1,220,000
			<u>9,486,161</u>		<u>10,305,922</u>
<b>Current assets</b>					
Stocks	26	55,173		62,217	
Debtors	27	129,470		170,215	
Cash at bank and in hand		576,550		675,863	
		<u>761,192</u>		<u>908,295</u>	
<b>Creditors:</b> amounts falling due within one year	28	(61,299)		(1,019,286)	
<b>Net current assets</b>			<u>699,894</u>		<u>(110,991)</u>
<b>Net assets</b>			<u>10,186,055</u>		<u>10,194,931</u>
<b>Charity Funds</b>					
Restricted funds	29		-		-
Unrestricted funds	29		10,186,055		10,194,931
<b>Total funds</b>			<u>10,186,055</u>		<u>10,194,931</u>

The financial statements were approved by the Trustees on 12 July 2024 and signed on their behalf, by:



Major General R J Semple CBE  
Trustee



Colonel R B Hawkins MBE ADC  
Trustee

The notes on pages 23 to 37 form part of these financial statements.

# Royal Engineers Central Charitable Trust

## Charity balance sheet

As at 31 December 2023

Charity Number: 1003032

	Note	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Tangible assets	23		213,129		227,356
Investments	24		7,978,032		8,858,566
Investment properties	25		1,295,000		1,220,000
			<u>9,486,161</u>		<u>10,305,922</u>
<b>Current assets</b>					
Debtors	27	158,920		199,448	
Cash at bank		562,133		667,124	
		<u>721,053</u>		<u>866,572</u>	
<b>Creditors:</b> amounts falling due within one year	28	(44,861)		(1,002,716)	
<b>Net current assets</b>			<u>676,191</u>		<u>(136,144)</u>
<b>Net assets</b>			<u>10,162,352</u>		<u>10,169,778</u>
<b>Charity Funds</b>					
Restricted funds	29		-		-
Unrestricted funds	29		<u>10,162,352</u>		<u>10,169,778</u>
<b>Total funds</b>			<u>10,162,352</u>		<u>10,169,778</u>

The financial statements were approved by the Trustees on 12 July 2024 and signed on their behalf, by:



Major General R J Semple CBE  
Trustee



Colonel R B Hawkins MBE ADC  
Trustee

The notes on pages 23 to 37 form part of these financial statements.

**Royal Engineers Central Charitable Trust**

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

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Net cash used in operating activities</b>	33	<u><b>(1,374,711)</b></u>	<u>621,744</u>
<b>Cash flows from investing activities</b>			
Interest and dividends		<b>383,501</b>	381,422
<b>Cash provided by investing activities</b>		<u><b>383,501</b></u>	<u>381,422</u>
<b>Cash used in financing activities</b>			
Decrease in cash and cash equivalents in the year		<u><b>(99,313)</b></u>	<u>(713,993)</u>
Cash and cash equivalents at the beginning of the year		<b>675,863</b>	1,389,856
<b>Total cash and cash equivalents at the end of the year</b>		<u><b>576,550</b></u>	<u>675,863</u>

**Analysis of changes in net debt**

	<b>At 1 Jan 2023 £</b>	<b>Cashflows £</b>	<b>At 31 Dec 2023 £</b>
<b>Cash and cash equivalents</b>			
Cash	<u><b>675,863</b></u>	<u><b>(99,313)</b></u>	<u><b>576,550</b></u>



## **Royal Engineers Central Charitable Trust**

### **Notes to the financial statements**

**For the year ended 31 December 2023**

#### **1 General administrative information**

Royal Engineers Central Charitable Trust is an unincorporated charity in England & Wales with the registration number 1003032. 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 Armed Forces and in particular The Corps of Royal Engineers; to promote the activities of the Royal Engineers Association and the Institution of Royal Engineers, as laid down in their respective Charters; to foster an esprit de corps in the Royal Engineers; and to relieve either generally or individually necessitous persons being members or former members of the Royal Engineers or the dependants of such persons.

#### **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) (effective 1 January 2019).

Royal Engineers Central Charitable Trust 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 financial currency, and rounded to the nearest pound.

No separate SOFA has been presented for the charity alone.

##### **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.

##### **2.3 Fund accounting**

The Charity maintains the following types of funds:

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

General unrestricted funds represent unrestricted funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the Trust. Such funds may be held in order to finance both working capital and capital investment.

Restricted fund for DUTF, which operates under a separate Trust Deed dated 8 March 1957.

##### **2.4 Turnover**

Turnover is recognised when counter goods from either the shop or foyer trading are sold or dispatched and invoiced to customers via the company's mail order service.

##### **2.5 Basis of consolidation**

The financial statements consolidate the accounts of Royal Engineers Central Charitable Trust and its subsidiary undertaking.

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

**2 Accounting policies (continued)**

**2.6 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The cost of 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 donated expenditure, apportioned against charitable activities and support.

**2.7 Expenditure**

Liabilities are recognised as resources 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 to third parties in the furtherance of the charitable objectives of the Trust are always authorised by the Trustees.

**2.8 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and fittings	10% straight line
General Property	10% straight line
Computers	20% straight line

**2.9 Investment properties**

Investment properties are being long-term assets, which generate income. They are included at market value in accordance with the Statement of Recommended Practice on accounting by charities. Please see note 26 to the financial statements.

**2.10 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.

**2.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

**2 Accounting policies (continued)**

**2.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.13 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.

**2.14 Liabilities and provisions**

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.

**2.15 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.

**2.16 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.

**2.17 Tender Policy**

Trustees have a tender policy that covers expenditure:

- a. Between £2,500 and £5,000
- b. Between £5,000 and £10,000
- c. Over £10,000

**2.18 Taxation**

Royal Engineers Central Charitable Trust is a registered charity and accordingly no provision is considered necessary for taxation.

**2.19 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.

## Royal Engineers Central Charitable Trust

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>3 Donations and legacies</b>				
Subscriptions (Note 4)	444,796	-	444,796	431,107
Donations (Note 5)	64,449	-	64,449	95,373
Donated services and facilities (Note 6)	255,348	-	255,348	234,070
Government Grants receivable	-	-	-	6,918
	<b>764,593</b>	<b>-</b>	<b>764,593</b>	<b>767,468</b>

All Income from Donations and Legacies was unrestricted in 2023 and 2022.

### 4 Subscriptions

Serving officers' subscriptions	85,277	-	85,277	82,726
Retired officers' subscriptions	11,807	-	11,807	12,999
Soldiers' subscriptions	314,282	-	314,282	301,514
Tax refund - Retired Officers & Reserves	2,104	-	2,104	1,458
Reserves DPS	5,364	-	5,364	5,189
WOs' & SNCOs' (5% subscription)	9,009	-	9,009	9,052
The Sapper Magazine	16,953	-	16,953	18,169
	<b>444,796</b>	<b>-</b>	<b>444,796</b>	<b>431,107</b>

### 5 Donations & Grants

General	1,498	-	1,498	4,606
WOs' & Sgts' Silver Fund	2,410	-	2,410	12,067
Comms Hub	60,000	-	60,000	78,700
Commercial Donation	541	-	541	
	<b>64,449</b>	<b>-</b>	<b>64,449</b>	<b>95,373</b>

### 6 Donated services and facilities

Gas	984	-	984	932
Electricity	1,154	-	1,154	1,102
Water and sewage	466	-	466	446
Community charge	5,856	-	5,856	5,574
Administration utilities	803	-	803	764
MOD salaries	194,540	-	194,540	182,543
Administration salaries	51,545	-	51,545	42,709
	<b>255,348</b>	<b>-</b>	<b>255,348</b>	<b>234,070</b>

# Royal Engineers Central Charitable Trust

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

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
<b>7 Other trading activities - RECCT</b>				
Advertisements	2,150	-	2,150	2,225
Miscellaneous & graphic sales	333	-	333	178
Project Funding	2,292	-	2,292	9,873
	<b>4,775</b>	<b>-</b>	<b>4,775</b>	<b>12,276</b>

## 8 Other trading activities - RECE Ltd

	£	£	£	£
<b>Income</b>				
RECE Ltd Sales	246,806	-	246,806	237,333
<b>Expenditure</b>				
Cost of sales	155,607	-	155,607	141,730
Staff costs	56,556	-	56,556	52,849
Postage & telephone	19,869	-	19,869	22,133
Printing & stationery	2,165	-	2,165	2,885
IT costs	5,841	-	5,841	6,783
Miscellaneous	435	-	435	388
Cardnet terminal services	4,804	-	4,804	4,144
Bank charges	587	-	587	316
Depreciation	-	-	-	115
Insurance	1,342	-	1,342	1,483
Audit fee	220	-	220	200
Advertising	830	-	830	1,495
	<b>248,256</b>	<b>-</b>	<b>248,256</b>	<b>234,521</b>
	<b>(1,450)</b>	<b>-</b>	<b>(1,450)</b>	<b>2,812</b>

All income and expenditure on trading activities was unrestricted in 2023 and 2022.

## 9 Investment income

	£	£	£	£
Dividends	333,068	-	333,068	338,766
Lloyds bank interest	537	-	537	1,178
Kitchener & Ebbsfleet Properties	49,896	-	49,896	41,478
	<b>383,501</b>	<b>-</b>	<b>383,501</b>	<b>381,422</b>

Income from investments was £383,501 (2022: £381,422) of which £383,501 was unrestricted (2022: £381,417) and £Nil was restricted (2022: £5).

## 10 Income from charitable activities

	£	£	£	£
Burgoyne House	4,200	-	4,200	4,200

All income from charitable activities was unrestricted in 2023 and 2022.

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

	Direct costs	Support costs	Total funds	Total funds
	2023	2023	2023	2022
<b>11 Analysis of expenditure by activities</b>	£	£	£	£
Burgoyne House (Note 12)	1,984	-	1,984	6,045
Sports & Games (Note 13)	333,273	81,828	415,101	429,963
Heritage (Note 14)	50,000	-	50,000	50,000
Esprit de Corps (Note 15)	226,848	96,908	323,756	207,538
RE HQ Mess (Note 16)	29,518	-	29,518	30,037
Comms Hub (Note 17)	72,919	171,881	244,800	244,760
WOs' & Sgts' (Note 18)	25,223	22,473	47,696	32,805
RE Corps Enterprises (Note 19)	-	77,215	77,215	75,402
Day's Pay Scheme (Note 20)	-	60,788	60,788	55,123
	<b>739,766</b>	<b>511,092</b>	<b>1,250,858</b>	<b>1,131,673</b>

Expenditure on charitable activities was £1,250,858 (2022: £1,131,673) of which £1,250,858 was unrestricted (2022: £1,116,048) and £Nil was restricted (2022: £15,624).

**12 Burgoyne House**

<b>Direct costs:</b>	£	£
General Maintenance	1,165	3,300
Land Rent	21	21
Gas contract	371	321
Depreciation	427	2,403
	<b>1,984</b>	<b>6,045</b>

**13 Sports & Games**

<b>Direct costs:</b>	£	£
RE Sports Board	336,268	372,412
Refund sports grant from previous year	(2,995)	(6,040)
	<b>333,273</b>	<b>366,372</b>
<b>Support costs:</b>		
Audit Fee	1,114	1,040
Insurance	405	423
Administration	1,156	1,507
IT Support	1,227	774
Depreciation	6,100	2,367
Donated services support costs	8,385	7,421
Donated services MOD Salaries	21,399	21,340
Staff costs	42,042	28,719
	<b>81,828</b>	<b>63,591</b>
	<b>415,101</b>	<b>429,963</b>

**14 Heritage**

<b>Direct costs:</b>	£	£
RE Museum	50,000	44,600
RE Museum Dockyard Rent	-	5,400
	<b>50,000</b>	<b>50,000</b>

# Royal Engineers Central Charitable Trust

## Notes to the financial statements

For the year ended 31 December 2023

	Total funds 2023	Total funds 2022
<b>15 Esprit de Corps</b>		
<b>Direct costs:</b>	£	£
Donations and presentations	1,091	716
Other Corps events	86,778	32,902
Corps entertainment	121,530	63,039
Project Funding	-	10,305
Colonels Comdt	3,286	1,066
Unit grants - DUTF	-	15,624
War Memorials	-	8,950
Clive Beckett Legacy	1,577	-
Senior Soldier Uniform Grant	18,666	-
Refund of previous years' grant	(6,080)	(12,264)
	<b>226,848</b>	<b>120,338</b>
<b>Support costs:</b>		
Audit fee	2,228	2,080
Insurance	809	846
Administration	3,860	4,934
IT Support	2,454	1,549
Depreciation	12,200	4,734
Donated services support costs	16,769	14,842
Donated services MOD Salaries	42,799	42,680
Staff costs	15,788	15,535
	<b>96,908</b>	<b>87,200</b>
	<b>323,756</b>	<b>207,538</b>
<b>16 HQ Mess</b>		
<b>Direct costs:</b>		
Mess Secretary salary	29,518	30,307

# Royal Engineers Central Charitable Trust

## Notes to the financial statements

For the year ended 31 December 2023

### 17 Comms Hub

#### Direct costs:

Printing & distribution  
Miscellaneous

#### Support costs:

Audit fee  
Insurance  
Administration  
IT support  
Depreciation  
Donated services support costs  
Donated services MOD Salaries  
Staff costs

	Total funds 2023	Total funds 2022
Printing & distribution	70,250	72,693
Miscellaneous	2,669	6,765
	<b>72,919</b>	<b>79,458</b>
Audit fee	1,114	1,040
Insurance	405	423
Administration	2,664	3,270
IT support	10,370	6,163
Depreciation	1,297	3,705
Donated services support costs	8,848	7,871
Donated services MOD Salaries	31,126	31,040
Staff costs	116,057	111,790
	<b>171,881</b>	<b>165,302</b>
	<b>244,800</b>	<b>244,760</b>

### 18 WOs' & Sgts' Fund

#### Direct costs:

Individual E2 Grants  
Corps Dinner Nights  
Adjustment Silver Fund 2021  
Unit WOs' & Sgts' Mess Nights

#### Support costs:

Audit Fee  
Insurance  
Administration  
Miscellaneous  
IT support  
Donated services support costs  
Donated services MOD salaries  
Staff costs

Individual E2 Grants	600	750
Corps Dinner Nights	1,623	1,080
Adjustment Silver Fund 2021	-	9,454
Unit WOs' & Sgts' Mess Nights	23,000	-
	<b>25,223</b>	<b>11,284</b>
Audit Fee	1,114	1,040
Insurance	404	423
Administration	1,156	1,507
Miscellaneous	665	927
IT support	1,227	774
Donated services support costs	7,813	6,869
Donated services MOD salaries	9,727	9,700
Staff costs	368	281
	<b>22,473</b>	<b>21,521</b>
	<b>47,696</b>	<b>32,805</b>

### 19 RE Corps Enterprises Ltd

#### Support costs:

Donated services support costs  
Donated services MOD Salaries  
Staff costs

Donated services support costs	10,237	9,219
Donated services MOD Salaries	60,307	60,140
Staff costs	6,671	6,043
	<b>77,216</b>	<b>75,402</b>



# Royal Engineers Central Charitable Trust

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

	<b>Total funds 2023</b>	Total funds 2022
<b>20 Day's Pay Scheme</b>		
<b>Support costs:</b>		
Audit Fee	<b>1,114</b>	1,040
Insurance	<b>405</b>	423
Administration	<b>1,156</b>	1,507
IT support	<b>1,227</b>	774
Depreciation	<b>6,100</b>	2,367
Donated services support costs	<b>8,755</b>	7,781
Donated services MOD Salaries	<b>29,181</b>	29,100
Staff costs	<b>12,850</b>	12,131
	<b>60,788</b>	55,123

## 21 Net Income / (Expenditure)

This is stated after charging:

Depreciation of tangible fixed assets:	<b>£</b>	<b>£</b>
-owned by the charitable group	<b>26,124</b>	15,575
Auditor's remuneration	<b>6,684</b>	6,240

During the year, no Trustees received any remuneration (2022: £Nil).

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

During the year, no Trustees received any re-imbursement of expenses (2022: £Nil).

## Royal Engineers Central Charitable Trust

### Notes to the financial statements

For the year ended 31 December 2023

	Total funds 2023	Total funds 2022
<b>22 Staff costs</b>	£	£
Staff costs were as follows:		
Wages and salaries	195,627	227,979
Social security costs	12,363	11,882
Pension costs	15,304	17,523
	<b>223,294</b>	<b>257,384</b>

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

	No.	No.
Management and administration of the charity	17	17
RECE Ltd	6	6
	<b>23</b>	<b>23</b>

The average headcount expressed as full-time equivalents was:

	No.	No.
Management and administration of the charity	9	9
RECE Ltd	2	2
	<b>11</b>	<b>11</b>

The total employment benefits including employer pension contributions of the key management personnel were £29,518 (2022: £30,037).

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

### 23 Tangible fixed assets

Group	Shop fixtures, fittings and equipment £	General fund £	WOs' & Sgts' fund £	Comms Hub property £	Total £
<b>Cost or valuation</b>					
At 1 January 2023	1,074	121,993	174,642	28,814	326,523
Re-Valuation	-	-	11,897	-	11,897
At 31 December 2023	<b>1,074</b>	<b>121,993</b>	<b>186,539</b>	<b>28,814</b>	<b>338,420</b>
<b>Depreciation</b>					
At 1 January 2023	1,074	77,515	-	20,578	99,167
Charge for the year	-	24,827	-	1,297	26,124
At 31 December 2023	<b>1,074</b>	<b>102,342</b>	<b>-</b>	<b>21,875</b>	<b>125,291</b>
<b>Net book value</b>					
At 31 December 2023	<b>-</b>	<b>19,651</b>	<b>186,539</b>	<b>6,939</b>	<b>213,129</b>
At 31 December 2022	<b>-</b>	<b>44,478</b>	<b>174,642</b>	<b>8,236</b>	<b>227,356</b>

## Royal Engineers Central Charitable Trust

### Notes to the financial statements

For the year ended 31 December 2023

#### 23 Tangible fixed assets (continued)

	General fund £	WOs' & Sgts' fund £	Comms Hub property £	Total £
<b>Charity</b>				
<b>Cost or valuation</b>				
At 1 January 2023	121,993	174,642	28,814	325,449
Re-Valuation	-	11,897	-	11,897
At 31 December 2023	<u>121,993</u>	<u>186,539</u>	<u>28,814</u>	<u>337,346</u>
<b>Depreciation</b>				
At 1 January 2023	77,515	-	20,578	98,093
Charge for the year	24,827	-	1,297	26,124
At 31 December 2023	<u>102,342</u>	<u>-</u>	<u>21,875</u>	<u>124,217</u>
<b>Net book value</b>				
At 31 December 2023	<u>19,651</u>	<u>186,539</u>	<u>6,939</u>	<u>213,129</u>
At 31 December 2022	<u>44,478</u>	<u>174,642</u>	<u>8,236</u>	<u>227,356</u>

#### 24 Fixed asset investments

	Listed securities £	
<b>Group &amp; Charity</b>		
<b>Market value</b>		
At 1 January 2023	8,858,566	
Investment Sold	(880,000)	
Revaluations	<u>(534)</u>	
At 31 December 2023	<u>7,978,032</u>	
<b>Historical cost</b>	<u>7,930,210</u>	
Group & charity investments at market value comprise:		
	<b>2023</b>	<b>2022</b>
	£	£
Listed investments	<u>7,978,032</u>	8,858,566

All 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 Ltd.

# Royal Engineers Central Charitable Trust

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

### 25 Investment properties

	Freehold Investment Property £
<b>Group &amp; Charity</b>	
<b>Valuation</b>	
At 1 January 2023	1,220,000
Re-valuation	75,000
At 31 December 2023	<u>1,295,000</u>
<b>Support Costs</b>	
Annual Fees	<u>1,200</u>
<b>Comprising</b>	
Cost	<u><u>1,295,000</u></u>

During the financial year the Charity incurred costs amounting to £1,200 in the development of the properties held in Chatham & Ebsfleet

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

	<b>Group</b>		<b>Charity</b>	
<b>26 Stocks:</b>	<b>2023</b>	2022	<b>2023</b>	2022
	£	£	£	£
Finished goods and goods for resale	<u>55,173</u>	62,217	-	-

	<b>Group</b>		<b>Charity</b>	
<b>27 Debtors:</b>	<b>2023</b>	2022	<b>2023</b>	2022
	£	£	£	£
Amounts owed by group undertakings	-	-	35,002	44,235
Other debtors	<u>129,470</u>	170,215	<u>123,918</u>	155,213
	<u><b>129,470</b></u>	170,215	<u><b>158,920</b></u>	199,448

### 28 Creditors: Amounts falling due within one year

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	£	£	£	£
Other creditors	<u>61,299</u>	1,019,286	<u>44,861</u>	1,002,716

# Royal Engineers Central Charitable Trust

## Notes to the financial statements

For the year ended 31 December 2023

### 29 Statement of funds

Current Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Comms Hub	8,235	79,436	(204,826)	122,797	-	5,642
Project Funding	44,681	2,292	-	-	-	46,973
	<b>52,916</b>	<b>81,728</b>	<b>(204,826)</b>	<b>122,797</b>	<b>-</b>	<b>52,615</b>
<b>General funds</b>						
RE Central Charitable Trust	9,870,201	1,063,922	(1,020,145)	(122,797)	74,466	9,865,646
WOs' & Sgts' Fund	246,662	11,419	(25,887)	-	11,897	244,091
RECE Ltd	25,153	246,806	(248,256)	-	-	23,703
	<b>10,142,016</b>	<b>1,322,147</b>	<b>(1,294,288)</b>	<b>(122,797)</b>	<b>86,363</b>	<b>10,133,440</b>
Total Unrestricted funds	<b>10,194,932</b>	<b>1,403,875</b>	<b>(1,499,114)</b>	<b>-</b>	<b>86,363</b>	<b>10,186,055</b>
<b>Restricted funds</b>						
DUTF	-	-	-	-	-	-
Total of funds	<b>10,194,932</b>	<b>1,403,875</b>	<b>(1,499,114)</b>	<b>-</b>	<b>86,363</b>	<b>10,186,055</b>

Prior Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Comms Hub	11,941	94,611	(205,849)	107,531	-	8,235
Project Fund	45,113	9,873	(10,305)	-	-	44,681
	<b>57,054</b>	<b>104,484</b>	<b>(216,154)</b>	<b>107,531</b>	<b>-</b>	<b>52,916</b>
<b>General funds</b>						
RE Central Charitable Trust	11,095,210	1,096,665	(883,658)	(107,531)	(1,330,485)	9,870,201
WOs' & Sgts' Fund	252,481	10,417	(16,236)	-	-	246,662
RECE Ltd	22,341	237,333	(234,521)	-	-	25,153
	<b>11,370,032</b>	<b>1,344,415</b>	<b>(1,134,415)</b>	<b>(107,531)</b>	<b>(1,330,485)</b>	<b>10,142,016</b>
Total Unrestricted funds	<b>11,427,086</b>	<b>1,448,899</b>	<b>(1,350,569)</b>	<b>-</b>	<b>(1,330,485)</b>	<b>10,194,931</b>
<b>Restricted funds</b>						
DUTF	15,619	5	(15,624)	-	-	-
Total of funds	<b>11,442,705</b>	<b>1,448,904</b>	<b>(1,366,193)</b>	<b>-</b>	<b>(1,330,485)</b>	<b>10,194,931</b>

# Royal Engineers Central Charitable Trust

## Notes to the financial statements

For the year ended 31 December 2023

### 30 Analysis of net assets between funds

Current Year	Unrestricted Funds	Restricted Funds	Total funds	Total funds
	2023	2023	2023	2022
	£	£	£	£
Tangible fixed assets	213,129	-	213,129	227,356
Fixed asset investments	7,978,032	-	7,978,032	8,858,566
Investment properties	1,295,000	-	1,295,000	1,220,000
Current assets	761,192	-	761,192	908,295
Creditors due within one year	(61,299)	-	(61,299)	(1,019,286)
	<b>10,186,055</b>	<b>-</b>	<b>10,186,055</b>	<b>10,194,931</b>

### Analysis of net assets between funds

Prior Year	Unrestricted Funds	Restricted Funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Tangible fixed assets	227,356	-	227,356	243,046
Fixed asset investments	8,858,566	-	8,858,566	10,295,380
Investment properties	1,220,000	-	1,220,000	640,000
Current assets	908,295	-	908,295	1,640,201
Creditors due within one year	(1,019,286)	-	(1,019,286)	(1,375,922)
	<b>10,194,931</b>	<b>-</b>	<b>10,194,931</b>	<b>11,442,705</b>

## Royal Engineers Central Charitable Trust

### Notes to the financial statements

For the year ended 31 December 2023

#### 31 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £15,304 (2022: £17,523).

#### 32 Principal subsidiaries

Company name	Country	Percentage Shareholding
Royal Engineers Corps Enterprises	United Kingdom	100

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

	Total funds 2023	Total funds 2022
	£	£
Net movement in funds	(8,876)	(1,247,774)
Add back depreciation charge	26,124	15,690
Deduct interest income shown in investing activities	(383,501)	(381,422)
Deduct gains / add back losses on investments	534	1,436,814
Deduct Gain on revaluation of tangible fixed assets	(11,897)	-
Deduct gain on revaluation of investment property	(86,897)	(106,329)
Decrease (increase) in stock	7,044	8,931
Decrease (increase) in debtors	40,745	8,982
Increase (decrease) in creditors	(957,987)	(356,636)
<b>Net cash used in operating activities</b>	<b>(1,374,711)</b>	<b>(621,744)</b>

#### 34 Related party transactions

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