

ROYAL ENGINEERS VOCATIONAL EDUCATION AND TRAINING TRUST

England & Wales · Charity number 1068709

Details

Other names	RE CPD TEAM, REVETT, ROYAL ENGINEERS CPD TEAM
Status	Registered
Legal form	Trust
Registered	1998-03-17
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE THE EFFICIENCY OF THE ARMY AND IN PARTICULAR THE ROYAL ENGINEERS BY ADVANCING THE EDUCATION AND COMPETENCY OF ITS EPRSONNEL BOTH REGULAR AND RESERVE, PRIMARILY BUT NOT EXCLUSIVELY, THROUGH INVOLVEMENT IN NATIONALLY RECOGNISED VOCATIONAL, EDUCATIONAL AND TRAINING SCHEMES.

Activities: To promote the efficiency of the Army and particularly the military efficiency of the Royal Engineers by promoting and supporting the involvement of its personnel in nationally recognised vocational education and training schemes

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** Education/training, Armed Forces/emergency Service Efficiency
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£730,069	£420,459	£7,660,008	4
2024-12-31	£212,946	£287,419	-	-
2023-12-31	£251,283	£405,987	-	-
2022-12-31	£292,577	£384,311	-	-
2021-12-31	£255,408	£536,763	-	-
2020-12-31	£227,758	£454,548	-	-

Trustees

Name	Role	Appointed
Brigadier Guy Boxall MBE		2023-10-01
Col Daniel Hall VR MInstRE		2025-12-16
Col Guy Cheesman ADC RE		2026-01-12
Craig Smith CSM		2026-01-12
Lieutenant Colonel Rob Porter		2023-06-01
Lt Col David White RE		2026-01-12
Simon Cook		2016-10-24

ROYAL ENGINEERS VOCATIONAL EDUCATION AND TRAINING TRUST

England & Wales - Charity number 1068709

Accounts

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2025

Royal Engineers Vocational Education and Training Trust

Contents

	Page
Trustee's report	1 – 12
Reference and administrative details of the Charity, its trustees, and advisers	13 - 14
Independent auditor's report	15 – 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 34

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2025

The Trustees present their annual report and the audited financial statements of the Charity for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate: there are no material uncertainties.

SUMMARY OF LEGAL OBJECTS

The object(s) of the Trust are:

"To promote the efficiency of the Army and in particular the Royal Engineers (RE) by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational education and training schemes".

EXPLANATION OF AIMS

The aims of the Trust are to:

- Inform and influence the Corps Whole Life Development Plan in conjunction with SO1 Careers, RHQ RE.
- Ensure that the currency of the existing qualifications portfolio is maintained. This includes engagement with external delivery and assessment organisations where syllabus modifications force changes.
- Ensure that the existing qualifications portfolio is delivered effectively, efficiently, and to standards required by the awarding organisations concerned.
- Work with internal and external organisations, agencies, staff and Defence Trade Schools who provide training, education and accreditation schemes to the Corps of Royal Engineers to maximise the efficiency of the Trust's work and optimise learning and qualification opportunities for all Sappers.
- Fully develop the scope of the qualification's portfolio to maximise trade professionalism across the entire RE Workforce.
- Fund and administer the Professional Recognition Awards (PRA) Scheme which offers higher level qualification recognition to all regular and reserve soldiers and officers serving across the Royal Engineers and Queens Gurkha Engineers at or above the rank of Corporal with the relevant qualifications, trade, command, and management experience.
- Fund and administer the Study Grant Scheme which offers funding for personal development opportunities to all regular and reserve soldiers and officers serving across the Royal Engineers and the Queens Gurkha Engineers.
- Fund and administer the Unit Funds scheme which provides direction and financial support to unit commanders, allowing them the flexibility to offer development support to the serving and reserve soldiers and officers within their chain of command.

GOVERNANCE

- Provide assurance to the Chief Royal Engineer that the Charity conforms to all relevant legislation and rules. A Quinquennial Review was carried out in 2019.
- Provide assurance to the Charity Commission that the Charity conforms to all relevant legislation and rules.
- Maintain close control by Trustees over the Charity's spending to ensure best use of finance, including close cooperation with the fund manager to ensure that risk and reward

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

profiles are properly balanced.

- Maintain close liaison with the Trustees to ensure that the Charity remains aligned to its aims and strategic objectives/outputs for the year
- Trustees and the Chief Executive Officer to review, define and manage key strategic outputs for the Charity
- Trustees and the Chief Executive Officer to review, manage and mitigate risk using the REVETT Risk Register.

MAIN OBJECTIVES IN 2025

The Trust's main objectives during the reporting year were:

- **Governance:**
 - Creation and delivery of a new brand, including the introduction of the Corps Cap Badge and closer alignment to the Corps Strategy 2030, embedding the Charity at the heart of its customer base.
- **Accreditation:**
 - Re-establish core qualifications that have been overlooked or superseded over the last 2 years.
 - Maintenance and enhancement of the core qualification and accreditation portfolio, giving stability to the offer across the Chatham based Trades.
 - Establishing and developing relationships with various external awarding organisations to allow for delivery and growth of the core portfolio.
 - Ongoing Industry and qualifications research and development activity to inform and enhance the core qualifications and accreditation offer.
- **Schemes:**
 - Establishing new online application processes for the Study Grant and Professional Recognition Awards (PRA) schemes, enhancing customer experience and reducing processing time.
 - Continued delivery and administration of the Study Grant, PRA and Unit Fund schemes in line with laid down processes and awarding organisation guidelines.
 - Review of the Unit Funds scheme to enable a proposal of development and improvement to be established.
- **Communications and Projects:**
 - Roll out new online application processes for the Study Grant and Professional Recognition Awards (PRA) schemes, enhancing customer experience and reducing processing time.
 - Continue to deliver established outreach interventions to the units embedding the Charity offer and raising awareness and knowledge of the individual and wider Corps benefits.
 - Creation of a clear enhanced social media presence, generating increased followers and allowing the charity to track impact and trends.
 - Achievement of the Armed Forces Silver Covenant Award
 - Creation of a clear Stakeholder map to allow the charity to maintain and build strong cohesive and collaborative relationships for future delivery and growth.

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2025

The Trust's strategies for achieving its main objectives during the reporting year entailed:

- **Governance:**

Within the Governance space the Charity employed the following Strategies to ensure that our objectives were realised:

- Engaged with all key stakeholders both Internal and External to establish a new brand that was fit for purpose and provided longevity for the Charity.
- Carried out a full review of the Governance documentation to ensure that we were compliant with and aligned to our core objectives and the Chief Royals 2030 Strategy.

- **Accreditation:**

Within the Accreditation space the Charity employed the following Strategies to ensure that our objectives were realised:

- Engaged with the Training Delivery and Awarding organisations to re-establish core qualification.
- Engaged with Training Delivery and Awarding organisations to ensure that core accreditation was maintained and relevant.
- Engaged with RHQ RE to ensure that transition pathways were understood, captured and reported up the Chain of Command for decisions where necessary.

- **Schemes:**

Within the Schemes space the Charity employed the following Strategies to ensure that our objectives were realised:

- Engaged with the Central Communications Hub to ensure that the online processes for the Schemes were understood and translated into a seamless digital process
- Maintained a policy of continuous improvement in respect of the management, administration and quality assurance of each of the schemes.
- Engaged with the 2ICs of the Units to establish their views and opinions on the Unit Funds, enabling a development proposal to be created

- **Communications and Projects:**

Within the Communication and Projects space the Charity employed the following Strategies to ensure that our objectives were realised:

- Engaged with the Central Communications Hub and the Individual users to ensure that the online processes for the Schemes were fit for purpose during the roll out phase of the project.
- Engage with the Units to arrange and deliver outreach interventions to advertise the benefits and support on offer.
- Engage with the Central Communication Hub to develop and roll out a clear and engaging body of content aimed at driving up engagement and providing greater impact to the end user.
- Worked alongside the SERFCA and our internal charity partners to ensure achievement of the Armed Forces Covenant Silver Award.

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

DETAILS OF SIGNIFICANT ACTIVITIES IN 2025

The Trusts significant activities within 2025 include:

- **Governance:**

- The position of Operations Director was gapped from February, when Glen Lishman stepped down through to Mid-June when Gina McDowell took up the post. During this time Glen Lishman provided some stability to the organisation through a consultancy arrangement enabling a thorough handover to the incoming Operations Director to take place.
- Following a subsequent meeting on the 16th Dec 2025 Gina McDowell was appointed Chief Executive Officer of the Charity.
- Col Alastair Cooper QVRM TD retired his position as a Trustee of the Charity, representing the voice of the Reserve soldiers and officers and the Board welcomed Lt Col Dan Hall RE to the Board at the mid-year Board of Trustees meeting ensuring maintenance of the voice of the Reserve soldiers and officers.
- Neil Goldie-Scot retired his position as a Trustee of the Charity at the end of year meeting and was replaced by David White ex CO of 101 at the Board of Trustees Strategy Day. David brings with him a wealth of external financial and fund management experience.
- Col Chris Stafford retired his position as a Trustee of the Charity following the end of year Board of Trustees meeting. The Board are yet to confirm a replacement.

- **Accreditation:**

- There has been a significant shift in qualifications and accreditation this year with the formalisation of our partnership with ProQual as an Awarding Organisation. This has allowed us to reinstate accreditation for 4 Trades, Draughtsman Design, Draughtsman E&M, CMT and Surveyor.
- This relationship has seen the reinstatement of qualifications for the 2 Draughtsman pathways at L3 and L5, the Surveyors at L3 and L5 and CMT at L3 and L5. This is a significant step forward in terms of our commitment to the serving Sappers and sees 3 Trades now receiving civilian accreditation for the work that they complete on their trade courses.
- Issues remain with reinstating qualifications with the Defence Awarding Organisation (DAO). Whilst work has and continues to be done, there seems to be continued challenges with DAO in terms of their requirements. A number of these qualifications have now been successfully transposed across to ProQual as an awarding organisation however we remain committed to working through the L3 and L5 Electrotechnical qualification with them and are hopeful of a positive outcome over the coming months.

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2025 (continued)

- **Schemes**

- All three of the Royal Engineers CPD Charity Schemes continue to be utilised by the Sapper community with numbers rising due to the re-instigation of the Unit visits and digital applications.
- The digital application process for both the Study Grant and PRA schemes is now embedded and working well. There have been minor teething issues within the roll out phase however on the whole the new process appears to have been welcomed, and we have seen fewer enquiries from individuals regarding the paper-based system.

- **Communications and Projects**

- There has been a significant rise in the number of individuals engaging with The Royal Engineers CPD Charity via social media due to the development and roll out of a new brand and communications strategy. This will continue to be develop throughout 2026.
- The Royal Engineers CPD Charity were successful in achieving a Silver Armed Forces Covenant Award which was presented to them at Admiralty House in September 2025
- The Royal Engineers CPD Charity have now undergone a complete role evaluation process which was authorised by the trustees at the December Strategy day. This will now be rolled out over the course of 2026 ensuring that the Charity is fit for purpose and able to deliver against its objectives.

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

Throughout 2025, individual qualification and accreditation achievements remain good: REVETT enabled 976 learners to achieve accreditation across vocational qualifications, Study Grants and Professional Recognition Awards (up from 564 in 2024).

REVETT's output is linked, primarily, to providing and funding qualifications achieved by the Royal Engineers workforce during their trade training, normally between national levels 3 and 5.

Table 1 below shows the type of qualifications provided to members of the Corps during 2025:

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

Table 1. REVETT Total Qualifications and Awards 2025.

Military Course Name Qualification name (awarding body)	National Level
ME Construction Materials Technology (2-1) Diploma in Construction Materials Technology (ProQual)	5
ME Design Draughtsman (0-2) Diploma for Construction Draughtsman (Military Engineering) (ProQual)	3
Level 3 Award in 2D Computer Aided Design (City&Guilds)	3
ME Design Draughtsman (2-1) Diploma for Construction Draughtsman (Military Engineering) (ProQual)	5
ME Draughtsman Electrical and Mechanical (0-2) Diploma for Mechanical and Electrical Draughtsman (Military Engineering) (ProQual)	3
Level 3 Award in 2D Computer Aided Design (City&Guilds)	3
ME Draughtsman Electrical and Mechanical (2-1) Diploma for Mechanical and Electrical Draughtsman (Military Engineering) (ProQual)	5
ME Electrician (0-2) Diploma in Electrotechnical Studies and Practice (Military Engineering) (DAO) Under Review	3
Award in the Requirements for Electrical Installations BS 7671:2018 (18th Edition) (City&Guilds)	3
ME Electrician (2-1) Diploma in Electrotechnical Studies and Practice (Military Engineering) (DAO) Under review	4
Award in Initial and Periodic Inspection and Testing of Electrical Installations (City&Guilds)	3
ME Fabricator/Welder (2-1) NVQ Extended Diploma in Engineering Construction Welding Engineering (City&Guilds)	3
ME Fitter Air Conditioning and Refrigeration (0-2) Award in F Gas and ODS regulations: Category I (City&Guilds)	2
Refrigeration and Air Conditioning CPD Pathways (City and Guilds)	N/A
ME Fitter Equipment (2-1) NVQ Diploma in Engineering Maintenance (Mechanical) (City&Guilds)	3
ME Fitter Utilities & Petroleum (2-1) NVQ Diploma in Engineering Maintenance (Mechanical) (City&Guilds)	3

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

Defence Explosive Munitions and Search School	
Level 2 Award in Working in High Risk Confined Spaces (City&Guilds)	2
Level 3 Award in Control Entry and Arrangements for Confined Spaces (City&Guilds)	3
Level 3 Award in Working as a Member of a Rescue and Recovery Team in Confined Spaces (City&Guilds)	4
First Aid at Work (NUCO)	N/A
ME Armoured Engineer (0-2)	
Award in Mechanical Engineering (TECOL)	3
Project Management Qualification¹	
PRINCE2 Foundation and Practitioner	4 and 5
Study Grant (formerly Bursaries)	Various
City&Guilds Professional Recognition Awards	
Licentiate	4
Affiliate	5
Graduate	6
Membership	7

RSME Gp and REVETT are subject to regular, detailed External Quality Assurance visits to ensure currency and quality of training and education. We continue to score highly during EQA visits by both City&Guilds and DAO, and are considered across the board, to be 'low risk', i.e. the highest grading. We maintain Direct Claim status with City&Guilds and will work towards this with ProQual as we start to certify qualifications.

REVETT continued to support the Royal Engineers Workforce at unit level via the delegated Unit CPD Fund. £40,000 was allocated across units within 2025. The fund enabled the chain of command to support the workforce through quick impact allocation across a board range of CPD activities, not just education. The funds were well received and appropriately spent.

The Royal Engineers CPD website www.re-cpd.org.uk continues to provide a valuable resource for the global Royal Engineer workforce: visitor numbers rose for the second consecutive year. The website offers a useful portal for information on activities carried out by the Royal Engineers CPD Charity and is linked into the broader Corps websites. It has proven to be particularly useful as a means of directing the Royal Engineer workforce to the online application processes for both the Study Grants and Professional Recognition Awards.

INVESTMENT PERFORMANCE

2025 was, in many respects, a landmark year for markets with several key themes. One of these was a weaker US dollar. In the first half of the year, the dollar recorded its largest first-half decline in more than 50 years, with the Dollar Index (which measures the dollar against a basket of major currencies) falling by around 10%. The primary driver for this was shifting expectations around US interest rates as, whilst inflation softened, markets increasingly priced in future Federal Reserve rate cuts.

Interest rate cuts were a theme around the globe. The Bank of England cut interest rates four times during the year, the US Federal Reserve cut rates three times and the European Central Bank delivered two. These moves reflected a weakening global economic backdrop with Royal

¹ Funding for Project Management Qualifications replaced by Study Grants in May 2023.

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

policymakers aiming to stimulate growth, support investment and encourage consumer spending.

Despite economic uncertainty, equity markets delivered a strong year. US markets reached all-time highs with the S&P 500 appreciating by 16.66% and the tech heavy Nasdaq gaining 23% for the year, despite the Trump Tariff induced set back in the first quarter. Much of this performance was driven by AI-linked stocks and large technology companies with the "Magnificent 7" increasing their dominance of the market. Elsewhere, UK and European markets also performed strongly, with the FTSE-100 increasing by 23.7% and the AllShare adding 22.15% whilst the Eurostoxx gained 17.5%, reinforcing the global strength of equities in 2025. Amongst individual stocks, Nvidia once again stole the spotlight. In July, it became the first company in history to reach a US\$4 trillion market capitalisation, before breaking another milestone in October by becoming the first to hit US\$5 trillion. For context, Apple took over two years to move from a US\$3 trillion to a US\$4 trillion valuation, which it achieved in October this year. Nvidia remains central to the AI boom that is driving rapid innovation in high-performance GPUs and the infrastructure underpinning artificial intelligence.

Asian markets were standout performers in 2025. Japanese equities outperformed most major global markets and the Nikkei gained 27.91% whilst Chinese markets also delivered strong gains. South Korea was among the best-performing markets worldwide, rising nearly 70%, highlighting the region's growing influence and resilience.

The year was not without its shocks. In April, President Trump's major tariff rollout, which he termed as "Liberation Day", triggered a sharp market sell-off. US equities fell nearly 5% in a single day and around 10% over the following days. This wiped out roughly US\$5 trillion in market value, marking the largest two-day loss on record for the US stock market. Whilst further tariff announcements also weighed on markets, investors gradually became more accustomed to the volatility as the year progressed and these initial losses were soon made back with the US equity markets achieving all time highs.

As 2025 came to a close, the year left a mix of record-breaking achievements and dramatic shifts. Nvidia reached unprecedented valuations, Asian markets surged, and precious metals like gold and silver hit historic highs. At the same time, oil prices slid, Trump's tariffs shook markets, and cryptocurrencies swung wildly. With a weaker dollar and widespread interest rate cuts shaping the backdrop, 2025 was a year where innovation, policy, and volatility all collided, yet markets showed remarkable resilience throughout.

Against this backdrop, the REVETT investment portfolio was valued at £7,560,000 as at 31 December 2024 and achieved a net gain for the year of 8.82%. By way of comparison, the ARC Steady Growth Charity Index appreciated by 8.64% over the same period. The strongest performing investments within the portfolio were Alphabet, which appreciated by 53%, BAE Systems, which gained 49%, Safran, adding 48% and Andritz, which added 44%. The portfolio does contain a holding of Nvidia and this appreciated by 29% over the course of the year. Amongst the poorer performers are United Health, Elevance Health, Zoetis, Diageo, Unilever and Canadian Pacific. There is a common theme amongst these stocks which is that these are all considered to be "defensive" investments which invariably perform better in more difficult market conditions.

The portfolio generated an estimated gross annual income of £200,000 and during 2025 a total of £370,000 was paid out, which equates to a total return of 5%. This level of withdrawal is generally considered to be an achievable long-term return from a portfolio.

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

FINANCIAL REVIEW

GENERAL

Net expenditure before other recognised gains and losses was £164,569 (2024: net expenditure of £144,187). No additional funds were passed to the Fund Manager for investment in 2025 (2024: £Nil). Gains on investments amounted to £474,179 (2024: gains of £506,197).

BALANCE SHEET

Accumulated funds increased by £309,610 to £7,660,008 (2024: increased by £362,010 to £7,350,398)

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 Investment Managers, within the parameters of overall guidance by the Trustees.

INVESTMENT HOUSE & POLICY

The REVETT investment is managed by Atomos Ltd in a portfolio with a risk level 5 of 7, with Trustee authority to move to level 6 if required to exploit opportunities as they arise. The objective of the Fund is unchanged and seeks primarily to achieve capital growth with some requirements for income whilst seeking a balance between safety and investment growth potential.

RESERVE POLICY (CAPITAL)

Trustees have stated that they a duty to honour qualifications for a period greater than 5 years, to a rolling horizon of 20 years. Unrestricted reserves total £7,660,008 (2024: £7,350,398) with no external income streams. Free reserves at year-end were £7,658,809 (2024: £7,349,049). Trustees assess that they have funds and investments to protect qualifications for 10-15 years and to fund the planned excess of expenditure over income 2025–2028.

GRANT MAKING POLICIES

Grants are considered by the Trust in line with the Trust deed and are duly recorded.

REVIEW OF PRINCIPAL FUNDING SOURCES

REVETT's principal source of funding in 2025 was from its investments.

PLANS FOR THE FUTURE

Within 2026, the Trust intends to:

- Continue the operation and funding of its core business: the provision of appropriate qualifications for the Royal Engineers Workforce.
- Seek opportunities to improve the range and quality of the qualification's portfolio including

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2025 (continued)

- all the non-Chatham based Trade Schools across the Royal Engineers landscape.
- Continue to collaborate with RHQ RE to ensure a full understanding of accreditation is maintained within the green space
- Establish a central Learning and Development hub for the Corps, offering advice and guidance on all things development.
- Engage with the other Corps charities to provide a more user-friendly interface to Sappers on what their charities offer.
- Embed new roles and start to drive further change.
- Develop and embed new governance documentation, and work towards a new 3-to-5-year strategic vision.
- Continue to identify and develop opportunities to improve the financial position of the Trust.

ACTIVITY REPORTING

Allocation of staff time to principal objectives and routine governance is based on the percentage individual staff members contribute to each objective or governance.

PUBLIC BENEFIT

In addition to promoting the efficiency of the Army and, in particular, RE by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational educational and training schemes, the work of REVETT benefits the public by:

- Ensuring that RE Workforce are qualified for civilian employment on discharge, thereby making them more likely to be productive, self-sufficient citizens in civilian life.
- Making enlistment into the Corps more attractive, thereby supporting recruitment.
- Making extended service in the Corps more attractive by providing qualification progression routes, thereby supporting retention and enhancing the Lived Experience.

INDEPENDENT AUDITORS

Kreston Reeves Audit LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The current governing document is the 2016 Consolidating Trust Deed which is available on request.

APPOINTMENT OF TRUSTEES

The Consolidating Trust Deed 2016 provides for a maximum of 7 ex-officio Trustees and a maximum of 3 co-opted. The latter are now appointed for a period of twelve months by a resolution of the Trustees passed at a special meeting. Co-opted Trustees may be re-appointed by the same process. The Trustees who served during the year are detailed on page 13.

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

TRUSTEE INDUCTION AND TRAINING

New Trustees are briefed on their role and responsibilities and advised to study the guidance provided by the Charity Commission website, in particular The Governance Jigsaw – The Essential Trustee. All new Trustees, where possible, attend a trustee training course within 6 months of appointment and refresher training every 3 years.

ORGANISATIONAL STRUCTURE AND NETWORKS

To enable the Trust to achieve its objects, it employs a small operations team to:

- Develop and maintain appropriate policies and procedures.
- Conduct, promote, update and report on operations.
- Identify, develop, implement, maintain, and improve accreditation opportunities for Royal Engineers.
- Administer and deliver the qualifications and support to personal and professional development in accordance with the Trustee's priorities.

Although autonomous, the Trustees and their employees collaborate closely with various organisations, including:

- The Royal School of Military Engineering (RSME) and other establishments training the RE workforce.
- The Public Private Partnership (PPP) contractors to the RSME, known as Holdfast.
- Headquarters Royal Engineers.
- Other Trusts and organisations supporting education and work-based learning for the Army.
- Awarding Organisations, including the Defence Awarding Organisation (DAO), City&Guilds and ProQual.

RISK MANAGEMENT STATEMENT

The Trustees monitor the major risks to which the charity is exposed, regularly review the risk register, and are satisfied that systems have been established to manage risks identified.

The three key risks are assessed to be:

- Financial investment downturn resulting in a reduced offer and potentially leading to the closure of the trust in the long term. REVETT has reviewed and is satisfied with its investment manager's performance and will conduct a review in 2024 of the long-term sustainability of the current annual budget level.
- Loss of awarding status, thereby not being able to fulfil the purpose of the trust. The regular EQA visits confirm this risk as low.
- Loss of beneficiary confidence in the trust resulting in reputational damage, leading to reduced uptake and making the trust irrelevant to the beneficiaries. This is monitored through uptake levels; the increased numbers of Study Grant and Professional Recognition Award applications indicate this risk is being managed effectively.

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2025 (continued)

Statement of Trustees' responsibilities

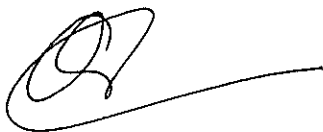
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity and 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 then 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 departure disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business

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 & 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



Colonel GS Cheesman ADC
Trustee

Date: 11 May 2026

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2025

Trustees

Ser	Appointment Type	Name	Appointment	App'd	Res
1	Ex-Officio (Chair)	Brig Guy Boxall MBE	ACOS Infra SC	Oct 23	In Post
2	Ex-Officio	Col Richard Hawkins MBE ADC	Corps Col	Dec 22	In Post
3	Ex-Officio	Col Dan Hall VR	Corps Col Reserves	Oct 25	In Post
4	Ex-Officio	Col Alastair Cooper QVRM TD	Corps Col Reserves	Dec 22	Oct 25
5	Co-Opted	Lt Col Rob Porter	Risk Manager	Jun 23	In Post
6	Ex-Officio	Lt Col Chris Stafford	SO1 Careers	Nov 23	In Post
7	Ex-Officio	Lt Col Andy Jennings	COS RSME Gp		In Post
8	Ex-Officio	WO1 Spencer Eardley	Corps SM	July 23	In Post
9	Co-Opted	Mr Simon Cook	Educational SME	Oct 16	In Post
10	Co-Opted	Mr Neil Goldie-Scot	Finance/Investment SME	Feb 2019	Oct 25

Members

Ser	Appointment Type	Name	Appointment	App'd	Res
11	Member	Maj (Retd) Ian Sidebottom	Corps Treasurer	Sep 13	In Post
12	Member	Mrs Gina McDowell	CEO REVETT	Jun 25	In Post

Members attend Board Meetings in an advisory capacity but are not Trustees of the Charity and do not hold voting rights.

Charity registered number: 1068709

Principal office

Headquarters Royal School of Military Engineering
Brompton Barracks
Chatham
Kent
ME4 4UG

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2025 (continued)

Independent auditor

Kreston Reeves Audit LLP
Chartered Accountants
Statutory Auditor
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Bankers	Solicitors	Investment House
Lloyds plc Piccadilly Branch PO Box 1000 London BX1 1LT	Furley Page LLP 39 St Margaret's Street Canterbury Kent CT1 2TX	Atomos Investments Limited Monument Place 24 Monument Street London EC3R 8AJ

Independent Auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust

We have audited the financial statements of the Royal Engineers Vocational Education and Training Trust (the 'charity') for the year ended 31 December 2025 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 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

Independent Auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust (continued)

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

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that

Independent Auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust (continued)

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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the 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
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent Auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust (continued)

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves Audit LLP

Samantha Rouse FCCA DChA
for and on behalf of

Kreston Reeves Audit LLP
Statutory Auditor
2nd Floor
Maritime Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QZ

Date: 12 May 2026

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

Royal Engineers Vocational Education and Training Trust

Statement of financial activities For the year ended 31 December 2025

		Unrestricted funds 2025	Restricted funds 2025	Total funds 2025	Total funds 2024
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	43,068	-	43,068	38,946
Investments	6	212,822	-	212,822	216,860
Total income		255,890	-	255,890	255,806
Expenditure on:					
Charitable activities	7	420,459	-	420,459	399,993
Total expenditure		420,459	-	420,459	399,993
Net expenditure before revaluations		(164,569)	-	(164,569)	(144,187)
Net gains/(losses) on investments		474,179	-	474,179	506,197
Net movement in funds for the year		309,610	-	309,610	362,010
Reconciliation of funds					
Total funds at 1 January 2025	18	7,350,398	-	7,350,398	6,988,388
Total funds at 31 December 2025		7,660,008	-	7,660,008	7,350,398

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

All activities relate to continuing operations.

The notes on pages 22 to 34 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Balance Sheet For the year ended 31 December 2025 Charity Number 1068709

	Note	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	14		1,199		1,349
Investments	15		7,571,131		7,289,967
			<u>7,572,330</u>		<u>7,291,316</u>
Current assets					
Debtors	16	775		555	
Cash at bank			149,668	103,599	
			<u>150,443</u>	<u>104,154</u>	
Creditors: amounts falling due within one year	17	(62,765)		(45,072)	
			<u>87,678</u>	<u>59,082</u>	
Net current assets					
			<u>7,660,008</u>	<u>7,350,398</u>	
Net assets					
Charity Funds					
Unrestricted funds	18		7,660,008	0	7,350,398
Total funds			<u>7,660,008</u>	<u>7,350,398</u>	

The financial statements were approved by the Trustees on 11 May 2026 and signed on their behalf, by:



Brigadier GJ Boxall MBE, Trustee



Colonel Guy Stuart Cheesman ADC, Trustee

The notes on pages 22 to 34 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2025

	Note	2025	2024
		£	£
Net cash used in operating activities	22	<u>(268,892)</u>	<u>(287,419)</u>
Cash flows from investing activities			
Interest and dividends		212,822	216,860
Purchase of tangible fixed assets		-	(1,499)
Proceeds from sale of investments		1,565,354	2,566,018
Purchase of investments		(1,463,215)	(2,568,433)
Cash provided by investing activities		<u>314,961</u>	<u>212,946</u>
Increase in cash and cash equivalents in the year		<u>46,069</u>	<u>(74,473)</u>
Cash and cash equivalents at the beginning of the year		103,599	178,072
Total cash and cash equivalents at the end of the year		<u>149,668</u>	<u>103,599</u>

Analysis of changes in net debt

	At 31 Jan 2025	Cashflows	At 31 Dec 2025
	£	£	£
Cash and cash equivalents			
Cash	<u>103,599</u>	<u>46,069</u>	<u>149,668</u>

Notes to the financial statements

For the year ended 31 December 2025

1 General Administrative Information

Royal Engineers Vocational Education and Training Trust is an unincorporated charity in England and Wales with the charity registration number 1068709. The address of the registered office is Headquarters Royal Engineers, Ravelin Building, Brompton Barracks, Chatham, Kent, ME4 4UG. The charities principal objectives continue to be to promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively through involvement in nationally recognised vocational education and training schemes.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) 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) and the Charities Act 2011.

Royal Engineers Vocational Education and Training 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 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.

2.3 Fund accounting

Unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

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

2.4 Income

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

Notes to the financial statements
For the year ended 31 December 2025

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust 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 objectives of the trust and are always authorised by the trustees.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 7.

2.6 Tangible fixed assets and depreciation

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

Depreciation is provided to write off the cost, less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation used are as follows:

Computer and office equipment	-	10 - 20% per annum on cost
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2.7 Investments

Investments held as fixed assets are included in the accounts at mid-market valuation.

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 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.

Notes to the financial statements
For the year ended 31 December 2025

2 Accounting policies (continued)

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.

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

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.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000 - three recorded phone quotations
- b. Between £5,000 and £10,000 - three written quotations from suppliers
- c. Over £10,000 - internal tender board selection from written quotations

2.15 Taxation

Royal Engineers Vocational Education and Training Trust 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.

Notes to the financial statements
For the year ended 31 December 2025

3 Donations and Legacies

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
	Note				
Other Income	4	521	-	521	144
Donated staff time	5	42,547	-	42,547	38,802
		<u>43,068</u>	<u>-</u>	<u>43,068</u>	<u>38,946</u>

4 Other Income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Other Income	521	-	521	144
	<u>521</u>	<u>-</u>	<u>521</u>	<u>144</u>

5 Donated services and facilities

	Total funds 2025 £	Total funds 2024 £
In 2025, donated services and facilities consisted of:		
Donated staff time	<u>42,547</u>	<u>38,802</u>

Notes to the financial statements
For the year ended 31 December 2025

6 Investment Income

	Total funds 2025 £	Total funds 2024 £
Dividends	212,212	215,497
Bank interest	610	1,363
	<u>212,822</u>	<u>216,860</u>

All of the investment income was unrestricted in 2025 and 2024.

7 Analysis of expenditure on Charitable activities

		Direct costs 2025 £	Support costs 2025 £	Total 2025 £	Total 2024 £
Training	Note 8	109,220	107,876	217,096	200,874
Development programme	9	-	104,664	104,664	104,784
Registration and certification fees	10	35,611	-	35,611	38,071
Health & safety testing		4,981	-	4,981	3,875
Tuition costs	11	-	22,879	22,879	20,153
Investment management fees		-	-	35,228	32,236
		<u>149,812</u>	<u>235,419</u>	<u>420,459</u>	<u>399,993</u>

Expenditure on charitable activities was £420,459 (2024: £399,993) of which £420,459 was unrestricted (2024: £399,993) and £Nil was restricted (2024: £Nil).

Notes to the financial statements
For the year ended 31 December 2025

8 Training

	Total Funds 2025	Total Funds 2024
	£	£
Direct costs		
Continuous Personal Development	103,840	86,107
Professional Recognition Award	5,380	6,121
	109,220	92,228
Support costs		
Depreciation of fixed assets	150	150
Legal and professional fees	1,489	535
Insurance	380	453
IT support & equipment	777	566
Stationery	183	152
Postage and telephone	10	8
Photocopier	364	364
Bank charges	8	28
Staff Trg & development	1,500	570
Travel and subsistence	865	150
Miscellaneous costs	18	372
Hospitality	273	46
Staff costs	87,818	92,318
Donated services and facilities - admin salaries	14,041	12,934
	107,876	108,646
	217,096	200,874

Notes to the financial statements
For the year ended 31 December 2025

9 Development programme	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2025	2025	2025	2024
	£	£		£
Direct costs				
Digitisation Project	-	-	-	570
	-	-	-	570
Support costs				
Insurance	392	-	392	466
IT support & equipment	801	-	801	584
Marketing & Website	1,929	-	1,929	387
Stationery	188	-	188	156
Postage and telephone	10	-	10	7
Subscriptions	310	-	310	366
Photocopier	375	-	375	376
Bank charges	8	-	8	29
Travel and subsistence	891	-	891	155
Miscellaneous costs	18	-	18	382
Hospitality	282	-	282	47
Communications Hub grant	20,000	-	20,000	20,000
Staff costs	64,994	-	64,994	68,325
Donated services and facilities - admin salaries	14,466	-	14,466	12,934
	104,664	-	104,664	104,214
	104,664	-	104,664	104,784

10 Registration and certification fees

	2025	2024
	£	£
Direct costs		
Registration	30,706	12,758
Certification	12,955	27,017
Refund Previous Year Expenditure	(8,050)	(1,704)
	35,611	38,071

Notes to the financial statements
For the year ended 31 December 2025

11 Tuition costs	Total Funds 2025	Total Funds 2024
Support costs		
Audit fee	5,960	5,081
Insurance	380	453
IT support & equipment	777	566
Stationery	183	152
Postage and telephone	10	8
Photocopier	364	364
Bank charges	8	28
Travel and subsistence	865	150
Miscellaneous costs	18	372
Hospitality	273	45
Donated services and facilities - admin salaries	14,041	12,934
	22,879	20,153

12 Net expenditure

This is stated after charging:

	2025 £	2024 £
Depreciation of tangible fixed assets:		
- owned by the charity	150	150
Auditor's remuneration	5,960	5,081

During the year, no Trustees received any remuneration (2024: £NIL).

During the year, no Trustees received any benefits in kind (2024: £NIL).

During the year, no Trustees received any reimbursement of expenses (2024: £NIL).

Notes to the financial statements
For the year ended 31 December 2025

13 Staff costs

Staff costs were as follows:

	2025	2024
	£	£
Wages and salaries	136,758	141,624
Social security costs	5,631	8,907
Pension costs	10,423	10,112
	<u>152,812</u>	<u>160,643</u>

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

	2025	2024
	No.	No.
Direct charitable employment	8	10
Management and administration of the charity	2	2
	<u>10</u>	<u>12</u>

The average headcount expressed as full-time equivalents was:

	No.	No.
Direct charitable employment	2	4
Management and administration of the charity	2	2
	<u>4</u>	<u>6</u>

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

The total employment benefits including employer pension contributions of the key management personnel were £46,034 (2024: £50,713).

Notes to the financial statements
For the year ended 31 December 2025

	Computer and Office Equipment
	£
14 Tangible fixed assets	
Cost	
At 1 January 2025	26,527
Additions	-
At 31 December 2025	<u>26,527</u>
Depreciation	
At 1 January 2025	25,178
Charge for the year	150
At 31 December 2025	<u>25,328</u>
Net book value	
At 31 December 2025	<u>1,199</u>
At 31 December 2024	<u>1,349</u>

15 Fixed asset investments

	Listed securities	Capital holding account	Total
	£	£	£
Market value			
At 1 January 2025	7,078,039	211,928	7,289,967
Additions	1,463,215	-	1,463,215
Revaluations	474,179	-	474,179
Sold	(1,565,354)	-	(1,565,354)
Cash movements		(90,876)	(90,876)
At 31 December 2025	<u>7,450,079</u>	<u>121,052</u>	<u>7,571,131</u>

Historical cost 6,032,711

Investments at market value comprise:

	2025	2024
	£	£
Capital Holding Account	121,052	211,928
Listed Securities	7,450,079	7,078,039
Listed investments	<u>7,571,131</u>	<u>7,289,967</u>

Notes to the financial statements
For the year ended 31 December 2025

16 Debtors

	2025 £	2024 £
Trade debtors	<u>775</u>	<u>555</u>

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	6,143	2,823
Accruals and deferred income	<u>56,622</u>	<u>42,249</u>
	<u>62,765</u>	<u>45,072</u>

18 Statement of funds

Current year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>7,350,398</u>	<u>255,890</u>	<u>(420,459)</u>	<u>-</u>	<u>474,179</u>	<u>7,660,008</u>
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Total of funds	<u>7,350,398</u>	<u>255,890</u>	<u>(420,459)</u>	<u>-</u>	<u>474,179</u>	<u>7,660,008</u>
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Prior year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>6,988,388</u>	<u>255,806</u>	<u>(399,993)</u>	<u>-</u>	<u>506,197</u>	<u>7,350,398</u>
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Total of funds	<u>6,988,388</u>	<u>255,806</u>	<u>(399,993)</u>	<u>-</u>	<u>506,197</u>	<u>7,350,398</u>
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Notes to the financial statements
For the year ended 31 December 2025

19 Analysis of net assets between funds

Current year	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,199	-	1,199
Fixed asset investments	7,571,131	-	7,571,131
Current assets	150,443	-	150,443
Creditors due within one year	(62,765)	-	(62,765)
	7,660,008	-	7,660,008

Prior year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,349	-	1,349
Fixed asset investments	7,289,967	-	7,289,967
Current assets	104,154	-	104,154
Creditors due within one year	(45,072)	-	(45,072)
	7,350,398	-	7,350,398

20 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 £10,423 (2024: £10,112).

Royal Engineers Vocational Education and Training Trust

Notes to the financial statements

For the year ended 31 December 2025

21 Related party transactions

All funds received and expended are in respect of providing education and training to military and civilian staff in Royal Engineer units. Further details are provided in the Trustees' Annual Report.

The Trustees control the Trust.

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

	Total funds 2025	Total funds 2024
	£	£
Net movement in funds	309,610	362,010
Add back depreciation charge	150	150
Deduct interest and dividends	(212,822)	(216,860)
Deduct gains / add back losses on investments	(474,179)	(506,197)
Decrease (increase) in debtors	(220)	4,838
Decrease (increase) in creditors	17,693	(20,514)
Investment cash movement	90,876	89,154
Net cash used in operating activities	(268,892)	(287,419)

23 Related party disclosure

Colonel Richard Bouke Hawkins MBE ADC, CSM Spencer Eardley and Colonel Alastair Cooper QVRM TD, all Trustees of the Royal Engineers Central Charitable Trust (RECCT) are also Trustees of Royal Engineers Vocational Education and Training Trust (REVETT) for which transactions have taken place during the year. RECCT paid £43 relating to sundry recharges and donations, which was transferred during the year (2024: £149). There were also reimbursements to RECCT from REVETT of £50,005 during the year relating to recharges of staff salaries and various admin charges (2024: £49,411). As of 31 December 2025 no balance was owed from RECCT (2024: £nil), and a balance of £800 was owed to RECCT (2024: £23).

ROYAL ENGINEERS VOCATIONAL EDUCATION AND TRAINING TRUST

England & Wales - Charity number 1068709

Accounts

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2024

Royal Engineers Vocational Education and Training Trust

Contents

	Page
Trustee's report	1 – 8
Reference and administrative details of the Charity, its trustees, and advisers	9
Independent auditor's report	10 – 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 29

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024

The Trustees present their annual report and the audited financial statements of the Charity for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate: there are no material uncertainties.

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

"To promote the efficiency of the Army and in particular the Royal Engineers (RE), including the QGE by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational education and training schemes".

EXPLANATION OF AIMS

The aims of the Trust are to:

- Ensure that the currency of the existing qualifications portfolio is maintained. This is to include engagement with external delivery organisations where syllabus modifications force changes.
- Ensure that the existing qualifications portfolio is delivered effectively and efficiently, and Standards required by the awarding organisations concerned.
- Develop the scope of the qualification's portfolio to the fullest extent possible in order to maximise the trade professionalism of the RE Workforce.
- Inform and influence the Corps Whole Life Development Plan in conjunction with SO1 Careers, RHQ RE.
- Fund and administer the Professional Recognition Awards Scheme which offers higher level qualifications for the RE Workforce at or above the rank of Corporal with the relevant qualifications, trade, command, and management experience.
- Fund personal and professional development via the Study Grant Scheme.
- Provide direction and financial support for the continuation of the RE CPD Unit Funds scheme.
- Work with internal and external organisations, agencies and staff who provide training, education and accreditation schemes to the Corps of Royal Engineers in order to maximise the efficiency of the Trust's work and optimise learning and qualification opportunities for all Sappers.

MAIN OBJECTIVES IN 2024

The Trust's main objectives during the reporting year were:

- Maintaining and enhancing a portfolio of qualifications for the RE Workforce.
- Production of an operational plan and annual budget to meet Trustee objectives and Board

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

priorities.

- Maintaining a policy of continuous improvement in respect of the management, administration, And quality assurance of approved qualifications.
- The allocation of appropriate funding in support of the key activities required to meet objectives.
- A continued programme of outreach to units to advertise what benefits the Charity can offer.
- Ongoing research and development activity to provide new qualifications where required that best meet the needs of the workforce in line with Trustees direction.

GOVERNANCE

- Provide assurance to the Chief Royal Engineer that the Charity conforms to all relevant legislation and rules. A Quinquennial Review was carried out in 2019.
- Maintain close control by Trustees over the Charity's spending to ensure best use of finance, including close cooperation with the fund manager to ensure that risk and reward profiles are properly balanced.
- Trustees and the Operations Director to review, manage and mitigate risk using the REVETT Risk Register.

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2025

The Trust's strategy for achieving its main objectives during the reporting year entailed:

- Maintain and enhance the portfolio of qualifications for the RE Workforce in conjunction with RHQ RE.
- Production of an operational plan and annual budget to meet Trustee objectives and Board priorities.
- Maintaining a policy of continuous improvement in respect of the management, administration, and quality assurance of approved qualifications.
- The allocation of appropriate funding in support of the key activities required to meet objectives.
- A continued programme of outreach to units to advertise what benefits the Charity can offer.
- Continue to research and develop activity to provide new qualifications where required that best meet the needs of the workforce in line with Trustees direction.

DETAILS OF SIGNIFICANT ACTIVITIES IN 2024

The position of Operations Manager changed in March 2024; Claire Leggatt moved on with Glen Lishman taking on the role.

Awarding Bodies and Qualifications

The charity continues to review the products and qualifications our current awarding bodies are able to provide, as well as the qualifications that the SP gain and could be gained. Qualifications continue to be sought from awarding bodies that do not currently provide for our SP. This helps to ensure we are getting value for money from our current providers as well as ensuring we are able to get the best qualifications available for the Corps.

Issues remain with reinstating qualifications with the Defence Awarding Organisation (DAO). Whilst work has been done and continues to be done, for reasons beyond our control reinstating qualifications and keeping existing qualifications in date remained a challenge. Workforce issues within DAO are preventing us from making significant progress. Dialogue continues with DAO and other awarding bodies to try and re-establish qualifications and look for alternative awarding bodies.

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

Of note;

- DAO have suspended a number of qualifications including *CMT/Elec*, dialogue continues to try and establish a suitable outcome for our SP, the Corps and the charity.
- The charity has funded a new City & Guilds Level 3 qualification in Fabrication and Welding which began in Nov 2024.

Study Grants

Individual Study Grants also remain popular with 70 applications in the year (92 in 2023), with the charity awarding a total of £36,634. Courses, qualifications gained by our SP are diverse, examples include Real Estate and Construction qualifications, Accounting and Finance diploma, Nutritional specialist, Health and Safety qualifications, International Disaster Management and Humanitarian Response and Cyber Security.

Professional Recognition Awards Scheme

The Trust continue to operate the Royal Engineers Professional Recognition Awards (PRA) scheme under delegated authority from City & Guilds Institute (London). This offers a single progressive structure, Level 4 to Level 7, to corporals and above. The levels are competence-based and require evidence of the practical application of professional skills, knowledge, and experience to provide a work-based route to higher level qualifications without a formal examination. A total of 51 applications for Professional Recognition Awards were made in the year (75 in 2023). A breakdown of the awards can be found in the table below, costing the charity £3,541.

Ser	Qualification	Awarding Body	Level	No of applications
1	Licentiateship	C&G	4	9
2	Affiliateship	C&G	5	20
3	Graduateship	C&G	6	19
4	Membership	C&G	7	3

Unit funds

The charity allocated £50,000.00 for units to manage and use for their SP. The intention was to decrease the level of bureaucracy and give units a degree of autonomy in encouraging their SP to gain qualifications and accreditation from a personal perspective.

The initiative has had varying degrees of engagement, several units spent all that was allocated to them, others due to Regimental commitments, declared no expenditure from the funds provided. This has resulted in a review of the scheme to be carried out early 2025. In 2025 Units will again, be provided with funds to be spent on personal development with 2026 allocation dependant on the outcome of the review.

City and Guilds Assured Scheme review

The implementation of the City and Guilds Assured Scheme as a way of providing accreditation for our SP has been put on hold. The detail has been reviewed and whilst the scheme has it's benefits, it is generally used as certification to sit alongside a recognised qualification and not as a stand-alone qualification. The review continues which will ascertain if the charity are getting value for money and adding value for the SP.

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

REVETT output is linked, primarily, to providing and funding qualifications achieved by the RE workforce during their trade training, normally between national levels 3 and 5. Table 1 below shows the number and type of qualifications provided to members of the Corps during 2024.

Table 1. REVETT Total Qualifications and Awards 2024.

Ser	Trade	National Level	Awarding Body	No of Students	No of Qualifications
1	ME Construction Materials Technology (2-1)	5	DAO	6	6
2	ME Design Draughtsman (0-2)	3	DAO/C&G	16	32
3	ME Design Draughtsman (2-1)	5	DAO	8	8
4	ME Design Electrical and Mechanical (0-2)	3	DAO/C&G	11	22
5	ME Design Electrical and Mechanical (2-1)	5	DAO	5	5
6	ME Electrician (0-2)	3	DAO/C&G	59	118
7	ME Electrician (2-1)	4	DAO/C&G	22	44
8	ME Fitter ACR (2-1)	3	C&G	7	14
9	ME Fitter Equip (2-1)	3	C&G	22	22
10	ME Fitter U&P (2-1)	3	C&G	9	9
11	ME Plant Operator Mechanic (2-1)	NA	CPCS	15	15
12	ME Armoured Engineer (0-2)	3	TECOL	0	0
13	Site Management Safety Tests	NA	N/A	12	12
14	Health & Safety Tests	NA	CITB	157	157
15	Defence Explosive Munitions & Search School	3 to 4	C&G	130	390
16	Abrasive Wheels	2	DAO	85	85
17	Total			564	939

Governance

In March 2024, a new Director of Operations, Glen Lishman, was appointed on a full-time basis.

The Chief of Staff, Royal School of Military Engineering was welcomed to the Board of Trustees, in accordance with paragraph 4.2.5 of the 2016 Consolidating Trust Deed. A review of this Deed has been undertaken, with recommendations made to the Board for improvements.

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

Throughout 2024 REVETT enabled over 23 different qualifications to the RE workforce. There were 564 learners in year (975 learners in 2023).

REVETT are subject to regular, detailed External Quality Assurance inspections to ensure currency and quality of training and education. We continue to perform well across the board, being considered 'low risk', i.e. the highest grading. Direct Claim status is suspended for all qualifications across all DAO centres, pending the introduction of new Strategy for Centre Assessment Standards Scrutiny (CASS) requirements. City & Guilds direct claim status remains in place and has not been affected.

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

The Royal Engineers Continuous Personal Development website, www.re-cpd.org.uk continues to provide a valuable resource for the global RE Workforce: visitor numbers rose considerably in year. The website offers a useful portal for information on REVETT activities and is linked into the broader Corps websites. It has proved to be particularly useful as a means of directing the RE Workforce to the Professional Recognition Awards and Study Grant schemes. All relevant RE CPD forms and handbooks are held there.

INVESTMENT PERFORMANCE

2024 largely saw global equity markets extend the gains that were made during 2023. In the UK, markets performed reasonably well for the first six months of the year, with the FTSE-100 appreciating by 7.74%. However, as the implications of the October Budget began to sink in, markets began to pull back.

A key theme for 2024 was general elections. A wave of major elections during the year reshaped global political and economic dynamics. Economic reforms, climate strategies and social equity were central themes, influencing market sentiment. Against this backdrop, the portfolio put in a good performance overall, appreciating by 10.17% vs the benchmark performance of 8.89%.

Atomos made a number of changes during 2023 in order to bring in further technology stocks and continued with this during 2024, adding new holdings of Meta, Microsoft, Nvidia and Apple and increasing the size of existing holdings of Amazon and Alphabet and this has continued to stand them in good stead this year. Amazon appreciated by 46.84%, Alphabet by 37.42%, Meta added 32.39%, Microsoft gained 13.99%, Apple 13.19% and Nvidia gained 9.18%. The top performing investment for the portfolio was Fiserv, a fintech company that provides billing and payment systems and solutions for banking businesses, and this appreciated by 57.26%.

Atomos have spoken about the portfolio's investment in tobacco previously and have maintained a holding of Imperial Brands. This is providing a substantial yield which is currently 6.39% and although the share price fell significantly from 2015 to 2020, it has been making strong gains over the past couple of years, gaining just over 19% in 2024. Elsewhere, Deutsche Bourse has experienced a strong year, appreciating by 14.81% and Unilever experienced a solid recovery, adding 19.68%.

Amongst the equity investments, oil and gas investments performed weakly as did some of the healthcare stocks. This was largely due to traditional defensive sectors such as healthcare and utilities facing pressure as investors rotated towards growth-orientated opportunities during this time. Our move to investing on an "International" basis at the beginning of 2023 instead of being predominantly invested in our "home" market, which resulted in Atomos strongly increasing their investment in the US and a reduction of investment in the UK equity market, has worked very well.

FINANCIAL REVIEW

GENERAL

Net expenditure before other recognised gains and losses was £144,187 (2023: net expenditure of £154,704). Gains on investments amounted to £506,197 (2023: gains of £307,978).

BALANCE SHEET

Accumulated funds increased by £362,010 to £7,350,398 (2023: increased £153,274 to £6,988,388).

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

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

INVESTMENT POWERS

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

INVESTMENT HOUSE & POLICY

The REVETT investment is managed by atomos Ltd (rebranded from Sanlam) in a portfolio with a risk level 5 of 7, with Trustee authority to move to level 6 if required to exploit opportunities as they arise. The objective of the Fund is unchanged and seeks primarily to achieve capital growth with some requirements for income whilst seeking a balance between safety and investment growth potential.

RESERVE POLICY (CAPITAL)

Trustees have stated that they a duty to honour qualifications for a period greater than 5 years, to a rolling horizon of 20 years. Unrestricted reserves total £7,350,398 (2023: £6,988,388) with no external income streams. Trustees assess that they have funds and investments to protect qualifications for 10-15 years and to fund the planned excess of expenditure over income 2024–2027. Trustees monitor capital, reserves and investments at each board meeting and are seeking new income streams.

GRANT MAKING POLICIES

Grants are considered by the Trust in line with the Trust deed and are duly recorded.

REVIEW OF PRINCIPAL FUNDING SOURCES

REVETT's principal source of funding in 2024 was from its investments.

PLANS FOR THE FUTURE

The Trust intends to:

- Continue with the operation and funding of its core business: the provision of appropriate qualifications for the RE Workforce.
- Seek opportunities to improve the range and quality of the qualification portfolio.
- Continue with the digital review to identify improvements and efficiencies to current ways of working.
- Continue and develop partnership arrangements with selected FE and HE establishments.
- Promote and support continuous personal development throughout the RE Workforce.
- Continue to identify and develop opportunities to improve the financial position of the Trust.

ACTIVITY REPORTING

Allocation of staff time to principal objectives and routine governance is based on the percentage individual staff members contribute to each objective or governance.

PUBLIC BENEFIT

In addition to promoting the efficiency of the Army and, in particular, RE by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational educational and training schemes, the work of REVETT benefits the public by:

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

- Ensuring that RE Workforce are qualified for civilian employment on discharge, thereby making them more likely to be productive, self-sufficient citizens in civilian life.
- Making enlistment into the Corps more attractive, thereby supporting recruitment.
- Making extended service in the Corps more attractive by providing qualification progression routes, thereby supporting retention and enhancing the Lived Experience.

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The current governing document is the 2016 Consolidating Trust Deed which is available on request.

APPOINTMENT OF TRUSTEES

The governing document provides for a maximum of 7 ex-officio and 3 co-opted Trustees. The latter are appointed or re-appointed for a period of twelve months by a resolution of the Trustees passed at a special meeting. Trustees who served during the year are detailed on page 9.

TRUSTEE INDUCTION AND TRAINING

New Trustees are briefed on their role and responsibilities and directed to appropriate training, specifically that available on the Charity Commission website. All new Trustees, where possible, undertake trustee training within 6 months of appointment and refresher training every 3 years.

ORGANISATIONAL STRUCTURE AND NETWORKS

To enable the Trust to achieve its objects, it employs a small operations team to:

- Develop and maintain appropriate policies and procedures.
- Conduct, promote, update and report on operations.
- Identify, develop, implement, maintain, and improve accreditation opportunities for the Royal Engineers.
- Administer the qualifications and accreditation, in order to provide support for personal and professional development in accordance with the Trustee's priorities.

Although autonomous, the Trustees and their employees collaborate closely with various organisations, including:

- The Royal School of Military Engineering (RSME) and other establishments training the RE workforce.
- The Public Private Partnership (PPP) contractors to the RSME, known as Holdfast.
- Headquarters Royal Engineers.
- Other Trusts and organisations supporting education and work-based learning for the Army.
- Awarding Organisations, including the Defence Awarding Organisation (DAO) and City&Guilds.

RISK MANAGEMENT STATEMENT

The Trustees regularly monitor the major risks to which the Charity is exposed, review the risk register,

Royal Engineers Vocational Education and Training Trust
Trustee's Report
For the year ended 31 December 2024 (continued)

and are satisfied that systems have been established to manage risks identified.
The two key risks identified remain constant:

- **Operational Risk - medium.** A failure to conclude vocational qualification programmes, initiated by either REVETT or other providers, for Corps personnel. This risk is mitigated through the close monitoring (by the Operations Director) of successful completion rates and promoting awareness of success rates cross the Corps. It is further mitigated by ensuring robust and effective monitoring is in place, with regular feedback, from all external providers. Furthermore, some Corps trades (such as DCT and Drivers) are not provided for, making the charity's outputs unequitable, which could damage our reputation. Avenues are being looked at to mitigate this risk, with no obvious solutions yet.
- **Financial Risk - low.** A failure to generate sufficient returns from investments and/or failure to generate income from other activities to fund REVETT's annual activities. In 2016 REVETT transferred its investment portfolio to a different investment manager to generate a better return. This has been very successful so far. A decision last year to change some of our investments, over time, to more socially responsible companies might change this however, but so far so good. The REVETT Board will also undertake rigorous consideration of new income generation activities.

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 Charity and 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 then 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 departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business

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 & 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, 27th May 2025, on behalf of the Trustees.



Colonel RB Hawkins MBE ADC
Trustee

Royal Engineers Vocational Education and Training Trust
Reference and administrative details of the Charity, its Trustees and Advisers
For the year ended 31 December 2024

Trustees

Ser	Appointment Type	Name	Appointment	Appointed	Resigned
1	Ex-Officio / Chair	Brig Guy Boxall	ACOS Infra SC	Sep 23	
2	Ex-Officio	Col RB Hawkins MBE ADC	Corps Col*	Dec 22	
3	Ex-Officio	Col AJ Cooper QVRM TD	Corps Col (Res)*	Dec 22	
4	Ex-Officio	Lt Col C Stafford RE	SO1 Careers	Nov 23	
5	Ex-Officio	Lt Col A Jennings RE	COS RSME Gp*	Jul 24	
6	Co-opted	Lt Col R Porter RE	CO 28 ER	Jun 23	
7	Ex-Officio	WO1 (CRSM) S Eardley	Corps SM*	Jul 23	
8	Co-opted	Mr S Cook	MKC	Oct 16	
9	Co-opted	Mr N Goldie-Scot		Feb 19	

*Official Ex-officio

Members

Ser	Appointment Type	Name	Appointment	Appointed	Resigned
1	Member	Glen Lishman	Ops Dir RE CPD	Mar 24	
2	Member	Ian Sidebottom	Corps Treasurer	Sep 13	

Members attend Board Meetings in an advisory capacity but are not Trustees of the charity.

Charity registered number 1068709

Principal office

Headquarters Royal School of Military Engineering
Brompton Barracks
Chatham
Kent
ME4 4UG

Independent auditor

Kreston Reeves LLP
2nd Floor
Maritime Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QZ

Bankers

Lloyds plc
Cox's & King's Branch
PO Box 1000
London
BX1 1LT

Solicitors

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

Investment House

Atomos Investments Ltd
Monument Place
24 Monument Street
London
EC3R 8AJ

Royal Engineers Vocational Education and Training Trust
Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust

We have audited the financial statements of Royal Engineers Vocational Education and Training Trust (the 'charity') for the year ended 31 December 2024 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 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.

Royal Engineers Vocational Education and Training Trust
Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

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.

Royal Engineers Vocational Education and Training Trust
Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

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
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; 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

Royal Engineers Vocational Education and Training Trust
Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Samantha Rouse FCCA DChA
for and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 28 May 2025

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

Statement of financial activities
For the year ended 31 December 2024

		Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	38,946	-	38,946	36,866
Investments	6	216,860	-	216,860	214,417
Total income		255,806	-	255,806	251,283
Expenditure on:					
Charitable activities	7	399,993	-	399,993	405,987
Total expenditure		399,993	-	399,993	405,987
Net expenditure before revaluations		(144,187)	-	(144,187)	(154,704)
Net gains/(losses) on investments		506,197	-	506,197	307,978
Net movement in funds for the year		362,010	-	362,010	153,274
Transfers between funds	18	-	-	-	-
Reconciliation of funds					
Total funds at 1 January 2024		6,988,388	-	6,988,388	6,835,114
Total funds at 31 December 2024		7,350,398	-	7,350,398	6,988,388

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

All activities relate to continuing operations.

The notes on pages 17 to 29 form part of these financial statements.

Charity Number 1068709
Balance sheet
As at 31 December 2024

	Note	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	14		1,349		-
Investments	15		7,289,967		6,870,509
			7,291,316		6,870,509
Current assets					
Debtors	16	555		5,393	
Cash at bank		103,599		178,072	
		104,154		183,465	
Creditors: amounts falling due within one year	17	(45,072)		(65,586)	
Net current assets			59,082		117,879
Net assets			7,350,398		6,988,388
Charity Funds					
Unrestricted funds	18		7,350,398		6,988,388
Total funds			7,350,398		6,988,388

The financial statements were approved by the Trustees on 27 May 2025 and signed on their behalf, by:



Brigadier GJ Boxall MBE, Trustee



Colonel RB Hawkins MBE ADC, Trustee

The notes on pages 17 to 29 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Statement of Cash Flows For the year ended 31 December 2024

	Note	2024	2023
		£	£
Net cash used in operating activities	22	<u>(287,419)</u>	<u>(339,593)</u>
Cash flows from investing activities			
Interest and dividends		216,860	214,417
Purchase of tangible fixed assets		(1,499)	-
Proceeds from sale of investments		2,566,018	6,053,528
Purchase of investments		(2,568,433)	(5,921,225)
Cash provided by investing activities		<u>212,946</u>	<u>346,720</u>
 Increase in cash and cash equivalents in the year		<u>(74,473)</u>	<u>7,127</u>
Cash and cash equivalents at the beginning of the year		178,072	170,945
Total cash and cash equivalents at the end of the year		<u>103,599</u>	<u>178,072</u>

Analysis of changes in net debt

	At 31 Jan 2024	Cashflows	At 31 Dec 2024
	£	£	£
Cash and cash equivalents			
Cash	178,072	(74,473)	103,599

Notes to the financial statements
For the year ended 31 December 2024

1 General Administrative Information

Royal Engineers Vocational Education and Training Trust is an unincorporated charity in England and Wales with the charity registration number 1068709. The address of the registered office is Headquarters Royal Engineers, Ravelin Building, Brompton Barracks, Chatham, Kent, ME4 4UG. The charities principal objectives continue to be to promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively through involvement in nationally recognised vocational education and training schemes.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) 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) and the Charities Act 2011.

Royal Engineers Vocational Education and Training 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 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.

2.3 Fund accounting

Unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

AWBL second call funding is restricted and can be used only for the Minley Project.

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

2.4 Income

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

**Notes to the financial statements
For the year ended 31 December 2024**

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust 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 objectives of the trust and are always authorised by the trustees.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 7.

2.6 Tangible fixed assets and depreciation

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

Depreciation is provided to write off the cost, less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation used are as follows:

Computer and office equipment	-	10 - 20% per annum on cost
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2.7 Investments

Investments held as fixed assets are included in the accounts at mid-market valuation.

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 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.

**Notes to the financial statements
For the year ended 31 December 2024**

2 Accounting policies (continued)

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.

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

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.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000 - three recorded phone quotations
- b. Between £5,000 and £10,000 - three written quotations from suppliers
- c. Over £10,000 - internal tender board selection from written quotations

2.15 Taxation

Royal Engineers Vocational Education and Training Trust 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.

Notes to the financial statements
For the year ended 31 December 2024

3 Donations and Legacies

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
	Note				
Other Income	4	144	-	144	-
Donated services and facilities	5	38,802	-	38,802	36,866
		38,946	-	38,946	36,866

4 Other Income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other Income	144	-	144	-
	144	-	144	-

All of the Grant income was restricted

5 Donated services and facilities

	Total funds 2024 £	Total funds 2023 £
Administrative salaries	38,802	36,866

Notes to the financial statements
For the year ended 31 December 2024

6 Investment Income

	Total funds 2024 £	Total funds 2023 £
Dividends	215,497	213,533
Bank interest	1,363	884
	<u>216,860</u>	<u>214,417</u>

All of the investment income was unrestricted in 2024 and 2023.

7 Analysis of expenditure on Charitable activities

		Direct costs 2024 £	Support costs 2024 £	Total 2024 £	Total 2023 £
Training	Note 8	92,228	108,646	200,874	258,753
Development programme	9	570	104,214	104,784	82,219
Registration and certification fees	10	38,071	-	38,071	16,513
Health & safety testing		3,875	-	3,875	2,906
Tuition costs	11	-	20,153	20,153	20,320
Investment management fees		32,236	-	32,236	25,276
		<u>166,980</u>	<u>233,013</u>	<u>399,993</u>	<u>405,987</u>

Expenditure on charitable activities was £399,993 (2023: £405,987) of which £399,993 was unrestricted (2023: £405,987) and £Nil was restricted (2023: £Nil).

Notes to the financial statements
For the year ended 31 December 2024

8 Training

	Total Funds 2024	Total Funds 2023
	£	£
Direct costs		
Continuous Personal Development	86,107	113,503
Professional Recognition Award	6,121	9,626
ME Armoured Qualification	-	29,784
	92,228	152,913
Support costs		
Depreciation of fixed assets	150	1,698
Legal and professional fees	535	7,999
Insurance	453	352
IT support & equipment	566	1,003
Stationery	152	226
Postage and telephone	8	18
Photocopier	364	333
Bank charges	28	8
Staff Trg & development	570	648
Travel and subsistence	150	295
Miscellaneous costs	372	247
Hospitality	46	79
Staff costs	92,318	80,645
Donated services and facilities - admin salaries	12,934	12,289
	108,646	105,840
	200,874	258,753

Notes to the financial statements
For the year ended 31 December 2024

9 Development programme	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2024	2024	2024	2023
	£	£	£	£
Direct costs				
Training Development Programme	-	-	-	-
Digitisation Project	570	-	570	-
Maintaining Award Centre Status	-	-	-	1,032
	570	-	570	1,032
Support costs				
Insurance	466	-	466	363
IT support & equipment	584	-	584	1,033
Marketing & Website	387	-	387	1,732
Stationery	156	-	156	233
Postage and telephone	7	-	7	19
Subscriptions	366	-	366	247
Photocopier	376	-	376	343
Bank charges	29	-	29	8
Travel and subsistence	155	-	155	304
Miscellaneous costs	382	-	382	256
Hospitality	47	-	47	81
Communications Hub grant	20,000	-	20,000	20,000
Staff costs	68,325	-	68,325	44,279
Donated services and facilities - admin salaries	12,934	-	12,934	12,289
	104,214	-	104,214	81,187
	104,784	-	104,784	82,219

10 Registration and certification fees

	2024	2023
	£	£
Direct costs		
Registration	12,758	14,388
Certification	27,017	17,129
Refund Previous Year Expenditure	(1,704)	(15,004)
	38,071	16,513

Notes to the financial statements
For the year ended 31 December 2024

11 Tuition costs	Total Funds 2024	Total Funds 2023
Support costs		
Audit fee	5,081	5,472
Insurance	453	352
IT support & equipment	566	1,003
Stationery	152	226
Postage and telephone	8	18
Photocopier	364	333
Bank charges	28	7
Travel and subsistence	150	295
Miscellaneous costs	372	248
Hospitality	45	78
Donated services and facilities - admin salaries	12,934	12,288
	20,153	20,320

12 Net expenditure

This is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets:		
- owned by the charity	150	1,698
Auditor's remuneration	5,081	5,472

During the year, no Trustees received any remuneration (2023: £NIL).

During the year, no Trustees received any benefits in kind (2023: £NIL).

During the year, no Trustees received any reimbursement of expenses (2023: £NIL).

Notes to the financial statements
For the year ended 31 December 2024

13 Staff costs

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	141,624	111,701
Social security costs	8,907	5,019
Pension costs	10,112	8,204
	<u>160,643</u>	<u>124,924</u>

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

	2024	2023
	No.	No.
Direct charitable employment	10	9
Management and administration of the charity	2	2
	<u>12</u>	<u>11</u>

The average headcount expressed as full-time equivalents was:

	No.	No.
Direct charitable employment	4	3
Management and administration of the charity	2	2
	<u>6</u>	<u>5</u>

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

The total employment benefits including employer pension contributions of the key management personnel were £50,713 (2023: £28,316).

Notes to the financial statements
For the year ended 31 December 2024

	Computer and Office Equipment
	£
14 Tangible fixed assets	
Cost	
At 1 January 2024	25,028
Additions	1,499
At 31 December 2024	<u>26,527</u>
Depreciation	
At 1 January 2024	25,028
Charge for the year	150
At 31 December 2024	<u>25,178</u>
Net book value	
At 31 December 2024	<u>1,349</u>
At 31 December 2023	<u>-</u>

15 Fixed asset investments

	Listed securities	Capital holding account	Total
	£	£	£
Market value			
At 1 January 2024	6,569,427	301,082	6,870,509
Additions	2,568,433		2,568,433
Revaluations	506,197		506,197
Sold	(2,566,018)		(2,566,018)
Cash movements		(89,154)	(89,154)
At 31 December 2024	<u>7,078,039</u>	<u>211,928</u>	<u>7,289,967</u>

Historical cost 6,377,657

Investments at market value comprise:

	2024	2023
	£	£
Capital Holding Account	211,928	301,082
Listed Securities	7,078,039	6,569,427
Listed investments	<u>7,289,967</u>	<u>6,870,509</u>

Notes to the financial statements
For the year ended 31 December 2024

16 Debtors

	2024 £	2023 £
Trade debtors	555	3,628
Other debtors	-	1,765
	<u>555</u>	<u>5,393</u>

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,823	24,797
Accruals and deferred income	42,249	40,789
	<u>45,072</u>	<u>65,586</u>

18 Statement of funds

Current year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>6,988,388</u>	<u>255,806</u>	<u>(399,993)</u>	<u>-</u>	<u>506,197</u>	<u>7,350,398</u>
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Total of funds	<u>6,988,388</u>	<u>255,806</u>	<u>(399,993)</u>	<u>-</u>	<u>506,197</u>	<u>7,350,398</u>
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Prior year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>6,835,114</u>	<u>251,283</u>	<u>(405,987)</u>	<u>-</u>	<u>307,978</u>	<u>6,988,388</u>
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Restricted funds

Total of funds	<u>6,835,114</u>	<u>251,283</u>	<u>(405,987)</u>	<u>-</u>	<u>307,978</u>	<u>6,988,388</u>
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Notes to the financial statements
For the year ended 31 December 2024

19 Analysis of net assets between funds

Current year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,349	-	1,349
Fixed asset investments	7,289,967	-	7,289,967
Current assets	104,154	-	104,154
Creditors due within one year	(45,072)	-	(45,072)
	7,350,398	-	7,350,398

Prior year	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	-
Fixed asset investments	6,870,509	-	6,870,509
Current assets	183,465	-	183,465
Creditors due within one year	(65,586)	-	(65,586)
	6,988,388	-	6,988,388

20 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 £10,112 (2023: £8,204).

Notes to the financial statements
For the year ended 31 December 2024

21 Related party transactions

All funds received and expended are in respect of providing education and training to military and civilian staff in Royal Engineer units. Further details are provided in the Trustees' Annual Report.

The Trustees control the Trust.

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

	Total funds 2024	Total funds 2023
	£	£
Net movement in funds	362,010	153,274
Add back depreciation charge	150	1,698
Deduct interest income shown in investing activities	(216,860)	(214,417)
Deduct gains / add back losses on investments	(506,197)	(328,538)
Decrease (increase) in debtors	4,838	24,143
Decrease (increase) in creditors	(20,514)	24,247
Investment cash movement	89,154	-
Net cash used in operating activities	<u>(287,419)</u>	<u>(339,593)</u>

23 Related party disclosure

Colonel Richard Bouke Hawkins MBE ADC, CSM Spencer Eardley and Colonel Alastair Cooper QVRM TD, all Trustees of Royal Engineers Vocational Education and Training Trust (REVETT) are also Trustees of the Royal Engineers Central Charitable Trust (RECCT) for which transactions have taken place during the year. RECCT paid £149 relating to sundry recharges and donations, which was transferred during the year. There were also reimbursements to RECCT from REVETT of £49,411 during the year, relating to recharges of staff salaries and various admin charges. As of 31 December 2024 no balance was owed from RECCT (2023: £nil), and a balance of £23 was owed to RECCT (2023: £nil).

ROYAL ENGINEERS VOCATIONAL EDUCATION AND TRAINING TRUST

England & Wales - Charity number 1068709

Accounts

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2023

Royal Engineers Vocational Education and Training Trust

Contents

	Page
Trustee's report	1 – 8
Reference and administrative details of the Charity, its trustees, and advisers	9 - 10
Independent auditor's report	11 – 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 30

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2023

The Trustees present their annual report and the audited financial statements of the Charity for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate: there are no material uncertainties.

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

"To promote the efficiency of the Army and in particular the Royal Engineers (RE)¹ by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational education and training schemes".

EXPLANATION OF AIMS

The aims of the Trust are to:

- Ensure that the currency of the existing qualifications portfolio is maintained. This is to include engagement with external delivery organisations where syllabus modifications force changes.
- Ensure that the existing qualifications portfolio is delivered effectively and efficiently, and to standards required by the awarding organisations concerned.
- Develop the scope of the qualification's portfolio to the fullest extent possible in order to maximise the trade professionalism of the RE Workforce.
- Inform and influence the Corps Whole Life Development Plan in conjunction with SO1 Careers, RHQ RE.
- Fund and administer the Professional Recognition Awards Scheme which offers higher level qualifications for the RE Workforce at or above the rank of Corporal with the relevant qualifications, trade, command, and management experience.
- Fund personal and professional development via the Study Grant Scheme.
- Provide direction and financial support for the continuation of the RE CPD Unit Funds scheme.
- Work with internal and external organisations, agencies and staff who provide training, education and accreditation schemes to the Corps of Royal Engineers in order to maximise the efficiency of the Trust's work and optimise learning and qualification opportunities for all Sappers.

MAIN OBJECTIVES IN 2023

The Trust's main objectives during the reporting year were:

- Training:
 - Maintenance of existing qualifications schemes.
 - Re-establish Business as Usual with awarding bodies.
 - Continuation of Professional Recognition Award Scheme and Study Grant Scheme.
 - Maintenance of direct claim status with external awarding bodies.
- Projects:
 - Redesign and relaunch the RE CPD website.
 - Maintain an outreach programme via delegated Unit Grants to inform RE units and individuals about what RE CPD offers.
 - Publicise the Trust's activities through publications, in person events, website and social media.

¹ This includes the Queen's Gurkha Engineers

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2023

- Governance:
 - Provide assurance to the Chief Royal Engineer that the Charity conforms to all relevant legislation and rules. A Quinquennial Review was carried out in 2019.
 - Maintain close control by Trustees over the Charity's spending to ensure best use of finance, including close cooperation with the fund manager to ensure that risk and reward profiles are properly balanced.
 - Trustees and the Operations Director to review, manage and mitigate risk using the REVETT Risk Register.

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2023

The Trust's strategy for achieving its main objectives during the reporting year entailed:

- Maintaining and enhancing a portfolio of qualifications for the RE Workforce.
- Production of an operational plan and annual budget to meet Trustee objectives and Board priorities.
- Maintaining a policy of continuous improvement in respect of the management, administration, and quality assurance of approved qualifications.
- The allocation of appropriate funding in support of the key activities required to meet objectives.
- A continued programme of outreach to units to advertise what benefits the Charity can offer.
- Ongoing research and development activity to provide new qualifications where required that best meet the needs of the workforce in line with Trustees direction.

DETAILS OF SIGNIFICANT ACTIVITIES IN 2023

The charity reviewed its qualification offer, taking into account the publicly funded qualifications available through the Army Apprenticeship scheme. From this review, a number of trade courses have been identified as potential areas where REVETT could expand its qualification offer, in accordance with Trustees' priorities. The charity began funding a Level 3 Award in Mechanical Engineering for the Armoured Engineer trade in May 2023, starting a qualification pathway which progresses through the soldiers' careers. The previously offered Level 3 NVQ Extended Diploma in Fabrication and Welding Engineering qualification was withdrawn by City & Guilds in August 2023 due to its low throughput and resulting lack of financial viability. REVETT ceased funding the foundation degree courses for Clerk of Works and Military Plant Foremen at the end of December 2022. The charity does provide funding for soldiers to top up their foundation degree to a BSc through the Study Grant scheme.

Qualifications provided by the Defence Awarding Organisation (DAO) have had mixed success in 2023. Ten previously suspended qualifications were re-instated in February 2023 which led to a large throughput of certificates in 2023 which were processed and issued to soldiers. However, seven suspended qualifications timed out with Ofqual due to lack of activity, leading to their withdrawal altogether. This occurred despite REVETT providing the required information to DAO prior to the date of withdrawal. No progress has been made by DAO re-establish alternative qualifications and REVETT has begun to research alternative options. One major hurdle with finding alternative qualification awarding bodies is the requirement of many construction related national qualifications to include "real work evidence". Due to its size and scope, REVETT is limited to providing qualifications for training courses only and does not have the resource to oversee or deliver additional training or assessment.

In March 2023, a new Director of Operations was appointed, the previous Chief Executive having left in August 2022. A former ex-officio trustee covered the role temporarily during January – March 23, to prepare and set conditions for a successful new appointment. The Charity continually reviews governance procedures and as a result of this, made changes in August 2023 to the methods for providing financial support for Project Management qualifications. These qualifications are now funded via the Study Grant scheme and therefore subject to the governance checks and scrutiny embedded within that scheme. The trust has reviewed the diversity of the membership of the cohort of trustees and updated its Board membership accordingly. The role of Chair of Trustees was handed over to a new incumbent in October 2023.

The Trust publicised the support it offers to beneficiaries at two in-person events; a unit health fair in May and the Sapper Games in June 2023, both held at Brompton Barracks. In addition to routinely publishing articles in The Sapper magazine throughout 2023, the charity has launched pages on LinkedIn and Instagram to capitalise on the popularity of these social media channels to further expand the RECPD publicity footprint.

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

Throughout 2023, learner achievements have remained good: REVETT enabled 975 learners to achieve qualifications in over 40 different subject areas (1,001 learners in 2022). REVETT output is linked, primarily, to providing and funding qualifications achieved by the RE workforce during their trade training, normally between national levels 3 and 5. Table 1 below shows the number and type of qualifications provided to members of the Corps during 2023.

Table 1. REVETT Total Qualifications and Awards 2023.

Military Course Name Qualification name (awarding body)	National Level	Number of qualifications awarded	Number of soldiers achieving qualification(s)
ME Construction Materials Technology (2-1) Diploma in Construction Materials Technology (DAO)	5	6	6
ME Design Draughtsman (0-2) Diploma for Construction Draughtsman (Military Engineering) (DAO) Level 3 Award in 2D Computer Aided Design (City&Guilds)	3 3	24 24	24
ME Design Draughtsman (2-1) Diploma for Construction Draughtsman (Military Engineering) (DAO)	5	7	7
ME Draughtsman Electrical and Mechanical (0-2) Diploma for Mechanical and Electrical Draughtsman (Military Engineering) (DAO) Level 3 Award in 2D Computer Aided Design (City & Guilds)	3 3	12 12	12
ME Draughtsman Electrical and Mechanical (2-1) Diploma for Mechanical and Electrical Draughtsman (Military Engineering) (DAO)	5	4	4
ME Electrician (0-2) Diploma in Electrotechnical Studies and Practice (Military Engineering) (DAO) Award in the Requirements for Electrical Installations BS 7671:2018 (18th Edition) (City & Guilds)	3 3	60 60	60
ME Electrician (2-1) Diploma in Electrotechnical Studies and Practice (Military Engineering) (DAO) Award in Initial and Periodic Inspection and Testing of Electrical Installations (City & Guilds)	4 3	38 36	38
ME Fabricator/Welder (2-1) NVQ Extended Diploma in Fabrication and Welding	3	23	23

Engineering (City & Guilds) ²			
ME Fitter Air Conditioning and Refrigeration (0-2) Award in F Gas and ODS regulations: Category I (City&Guilds)	2	20	20
Refrigeration and Air Conditioning CPD Pathways (City and Guilds)	N/A	20	
ME Fitter Equipment (2-1) NVQ Diploma in Engineering Maintenance (Mechanical) (City&Guilds)	3	22	22
ME Fitter Utilities & Petroleum (2-1) NVQ Diploma in Engineering Maintenance (Mechanical) (City&Guilds)	3	9	9
ME Plant Operator Mechanic (2-1) CPCS Cards (Category A59, Excavator) (CITB)	N/A	17	17
Prometric Health and Safety Test (CITB)	N/A	17	
Site Management Safety Tests	N/A	95	95
Health & Safety Test (CITB)	N/A	142	142
Defence Explosive Munitions and Search School Level 2 Award in Working in High Risk Confined Spaces (City&Guilds)	2	102	102
Level 3 Award in Control Entry and Arrangements for Confined Spaces (City&Guilds)	3	20	
Level 3 Award in Working as a Member of a Rescue and Recovery Team in Confined Spaces (City&Guilds)	4	82	
First Aid at Work (NUCO)	N/A	102	
ME Armoured Engineer (0-2) Award in Mechanical Engineering (TECOL)	3	28	28
Project Management Qualification³ PRINCE2 Foundation and Practitioner	4 and 5	31	31
Specialist Qualification (Various courses) Award in Mounting Resinoid Bonded Abrasive Wheels (DAO)	2	165	165
Award in Mounting Vitrified and Resinoid Bonded Abrasive Wheels (DAO)			
Study Grant (formerly Bursaries)	Various	92	92
City&Guilds Professional Recognition Awards			
Licentiate	4	12	12
Affiliate	5	28	28
Graduate	6	29	29
Membership	7	9	9
Totals		1348	975

RSME Group and REVETT are subject to regular, detailed External Quality Assurance visits (EQA, cf OFSTED) to ensure currency and quality of training and education. We continue to score highly during EQA visits by both City & Guilds and DAO, and are considered across the board, to be 'low risk', i.e. the highest grading. Direct Claim status remains suspended for all qualifications across all DAO centres, pending the introduction of new Strategy for Centre Assessment Standards Scrutiny (CASS) requirements. City & Guilds direct claim status remains in place.

The Trust operates the Royal Engineers Professional Recognition Awards scheme under delegated authority from City & Guilds Institute (London). This offers a single progressive structure, Level 4 to Level 7 for corporals and above. The levels are competence-based and require evidence of the practical application of professional skills, knowledge, and experience to provide a work-based route to higher level qualifications without a formal examination. Take-up rates for Professional Recognition Awards increased to 75 in 2023 (up from 46 in 2022) with increased numbers across all levels of award.

The second flagship scheme operated by REVETT is the Study Grant scheme. This scheme funds individual members of the Corps who wish to undertake external programmes of study, typically for first or second degrees on a distance-learning basis, for all ranks of the Corps. The scheme also supports non-academic

² Qualification expired and removed by City & Guilds on 31 August 2023.

³ Funding for Project Management Qualifications replaced by Study Grants in May 2023.

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2023

qualifications to encourage younger soldiers to start CPD⁴ early. 92 Study Grants were awarded in 2023 (up from 43 in 2022).

REVETT continued to support the RE Workforce at unit level via the delegated Unit CPD Fund and £61,400 was allocated across 40 units. The fund enabled the chain of command to support the workforce through quick impact allocation across a broad range of CPD activities, not just education. The funds were well received and appropriately spent. There were 276 direct beneficiaries of this scheme. Examples of CPD include: basket weaving, drone piloting, personal coaching, German, French and Russian language lessons, soap making, advanced driving, mental health awareness, highland furniture making, strategic thinking, piano lessons, sports coaching, bike maintenance, chainsaw skills, canine care, photography, security courses and dry stone walling.

The Royal Engineers Continuous Personal Development website, www.re-cpd.org.uk was redesigned and went live in August 2023. Improvements included a simpler format, functionality on mobile devices and revised application forms making it easier for beneficiaries to access the support available. It provides the base for future digital application forms for Study Grants and Professional Recognition Awards.

The Trust signed the Armed Forces covenant in August 2023 and subsequently received the Armed Forces Covenant Employer Recognition Scheme Bronze Award for support to the military community.

INVESTMENT PERFORMANCE

2023 was a very different year for markets than the previous year. Having suffered such extreme losses during 2022, equity markets rebounded in 2023 with the most significant gains being seen in the tech heavy Nasdaq. Japanese equities also made strong gains, scaling heights not seen since 1989, due in part to the return of inflation, following three decades of low inflation, as well as recent corporate governance reforms driven by the Tokyo Stock Exchange which have led companies to seek to increase shareholder value through share buybacks and higher dividend payments.

Against this backdrop, the investment portfolio performed reasonably well during the year, gaining 7.6%. It underperformed the benchmark a little at the beginning of the year but as atomos made a number of changes, particularly between March and June, performance improved to be ahead of benchmarks in the second half of the year.

Having benefited last year from holding reasonably little in the way of technology as this sector was significantly sold off, atomos made the most of these cheaper prices during 2023 and added a number of stocks in this area. They purchased Amazon, Cisco and Fiserv, which were added to the existing investments in Microsoft and Alphabet (Google) and these performed very strongly as investors took the opportunity to purchase technology at these lower levels. What have come to be known as "The Magnificent Seven" technology stocks performed so well that they accounted for around two thirds of the S&P 500's performance for the year (which ended up by just under 25%) and goes to show how the rest of the market did not actually perform that strongly! Atomos also added names such as Booking Holdings, Visa, Salesforce, GEC and KKR, US growth stocks, which have also performed well during the year. Areas where investors were let down were the old staples such as Unilever, Shell and Roche which are all very strong businesses but not currently the focus of investors attentions.

As interest rates increased in the UK, there came a point whereby it was possible to once again purchase UK Government gilts at or around "par" (the price at which they will redeem). Therefore, atomos added further to our gilt holdings thereby locking in a risk free return of between 4.25% - 4.5% until the maturity dates of between 2027 and 2036. They have also re-arranged the fixed interest investments held, adding further investment to US fixed interest investments through 20 Year Treasury Stocks and USD "TIPS" – inflation linked bonds. They have also added some high yield bonds – in particular a fund called "fallen angels" where the fund purchases fixed interest stock from companies that have fallen out of favour and their bonds are looking cheap.

With regards to income being generated, the current estimated gross annual income is now standing at £224,633 which equates to an estimated gross annual yield of 3.21%. These figures are based upon the last dividend declared by each company and so, as companies recover and their earnings increase, we would hope to see this figure climb throughout the year.

⁴ Continuing Professional Development

FINANCIAL REVIEW

GENERAL

Net expenditure before other recognised gains and losses was £154,704 (2022: £91,734). Losses on investments amounted to £307,978 (2022: loss of £361,684).

BALANCE SHEET

Accumulated funds increased by £153,274 to £6,988,388 (2022: decreased by £453,418 to £6,835,114)

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 Investment Managers, within the parameters of overall guidance by the Trustees.

INVESTMENT HOUSE & POLICY

The REVETT investment is managed by atomos Ltd (rebranded from Sanlam) in a portfolio with a risk level 5 of 7, with Trustee authority to move to level 6 if required to exploit opportunities as they arise. The objective of the Fund is unchanged and seeks primarily to achieve capital growth with some requirements for income whilst seeking a balance between safety and investment growth potential.

RESERVE POLICY (CAPITAL)

Trustees have stated that they a duty to honour qualifications for a period greater than 5 years, to a rolling horizon of 20 years. Unrestricted reserves total £6,988,388 (2022: £6,835,114) with no external income streams. Trustees assess that they have funds and investments to protect qualifications for 10-15 years and to fund the planned excess of expenditure over income 2024–2027. Trustees monitor capital, reserves and investments at each board meeting and are seeking new income streams.

GRANT MAKING POLICIES

Grants are considered by the Trust in line with the Trust deed and are duly recorded.

REVIEW OF PRINCIPAL FUNDING SOURCES

REVETT's principal source of funding in 2023 was from its investments.

PLANS FOR THE FUTURE

The Trust intends to:

- Continue the operation and funding of its core business: the provision of appropriate qualifications for the RE Workforce.
- Seek opportunities to improve the range and quality of the qualification's portfolio.
- Conduct a full digital review to identify improvements and efficiencies to current ways of working.
- Continue and develop partnership arrangements with selected Further and Higher Education establishments.
- Promote and support continuous personal development throughout the RE Workforce.
- Continue to identify and develop opportunities to improve the financial position of the Trust.

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2023

ACTIVITY REPORTING

Allocation of staff time to principal objectives and routine governance is based on the percentage individual staff members contribute to each objective or governance.

PUBLIC BENEFIT

In addition to promoting the efficiency of the Army and, in particular, RE by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational educational and training schemes, the work of REVETT benefits the public by:

- Ensuring that RE Workforce are qualified for civilian employment on discharge, thereby making them more likely to be productive, self-sufficient citizens in civilian life.
- Making enlistment into the Corps more attractive, thereby supporting recruitment.
- Making extended service in the Corps more attractive by providing qualification progression routes, thereby supporting retention and enhancing the Lived Experience.

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

At the beginning of 2013 the then governing document was made up of three components: the Declaration of Trust dated 3 December 1997, the First Deed of Amendment in 2007, and the Second Deed of Amendment in 2011. The decision was taken during the year to consolidate their provisions into a single document, with the aim of improving clarity. This resulted in the Deed of Constitution and Amendment which came into effect in August 2013, and became the governing document. Another Deed of Amendment was produced in 2015 (17 November 2015) leading to the 2016 Consolidating Trust Deed which is the current governing document.

APPOINTMENT OF TRUSTEES

The Deed of Constitution and Amendment referred to above provides for a maximum of 7 ex-officio Trustees and a maximum of 3 co-opted. The latter are now appointed for a period of twelve months by a resolution of the Trustees passed at a special meeting. Co-opted Trustees may be re-appointed by the same process. The Trustees who served during the year are detailed on page 9.

TRUSTEE INDUCTION AND TRAINING

New Trustees are briefed on their role and responsibilities and advised to study the guidance provided by the Charity Commission website, in particular The Governance Jigsaw – The Essential Trustee⁵. All new Trustees, where possible, attend a trustee training course within 6 months of appointment and refresher training every 3 years.

ORGANISATIONAL STRUCTURE AND NETWORKS

To enable the Trust to achieve its objects, it employs a small operations team to:

- Develop and maintain appropriate policies and procedures.
- Conduct, promote, update and report on operations.
- Identify, develop, implement, maintain, and improve accreditation opportunities for Royal Engineers.
- Administer and deliver the qualifications and support to personal and professional development in accordance with the Trustee's priorities.

Although autonomous, the Trustees and their employees collaborate closely with various organisations, including:

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/544220/Jigsaw.pdf

**Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2023**

- The Royal School of Military Engineering (RSME) and other establishments training the RE workforce.
- The Public Private Partnership (PPP) contractors to the RSME, known as Holdfast.
- Headquarters Royal Engineers.
- Other Trusts and organisations supporting education and work-based learning for the Army.
- Awarding Organisations, including the Defence Awarding Organisation (DAO) and City&Guilds.

RISK MANAGEMENT STATEMENT

The Trustees monitor the major risks to which the charity is exposed, regularly review the risk register, and are satisfied that systems have been established to manage risks identified.

The three key risks are assessed to be:

- Financial investment downturn resulting in a reduced offer and potentially leading to the closure of the trust in the long term. REVETT has reviewed and is satisfied with its investment manager's performance and will conduct a review in 2024 of the long-term sustainability of the current annual budget level.
- Loss of awarding status, thereby not being able to fulfil the purpose of the trust. The regular EQA visits confirm this risk as low.
- Loss of beneficiary confidence in the trust resulting in reputational damage, leading to reduced uptake, and making the trust irrelevant to the beneficiaries. This is monitored through uptake levels; the increased numbers of Study Grant and Professional Recognition Award applications indicate this risk is being managed effectively.

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 Charity and 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 then 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 departure disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business

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 & 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 on 27 June 2024 and signed on behalf of the Trustees



**Colonel RB Hawkins MBE ADC
Trustee**

Date: 8 July 2024

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2023

Trustees

APPOINTMENT	NAME	APPOINTED	RESIGNED
Chair	Brig PJ Rowell MBE	September 2019	October 2023
	Brig GJ Boxall MBE	October 2023	
Corps Col	Col RB Hawkins MBE ADC	December 2022	
Corps Col (Reserves)	Col AJ Cooper QVRM TD	December 2022	
DComd 25 Engr Gp	Lt Col CW Battey	February 2020	June 2023
	Lt Col R Porter	June 2023	
DComd 8 Engr Bde	Col HTS Ricketts OBE	September 2021	February 2023
	Not directly replaced		
RE Corps Sergeant Major	WO1 (Corps RSM) M Elliott MBE	September 2021	July 2023
	WO1 (Corps RSM) SWA Eardley	July 2023	
SO1 Careers RHQ RE	Lt Col A Davies MBE	June 2023	November 2023
	Lt Col C Stafford	November 2023	
COS RSME Gp	Lt Col C Ankers MBE	December 2023	
Industry Independent	Mr N Goldie-Scot	December 2018	
Education Independent	Mr S Cook	January 2016	
<i>Co-opted</i>			
Treasurer	Maj (Retd) I Sidebottom	September 2013	
Operations Director	Maj (Retd) CL Leggat	March 2023	

Charity registered number

1068709

Principal office

RE CPD Team
HQ RSME
Brompton Barracks
Chatham
Kent
ME4 4UG

Royal Engineers Vocational Education and Training Trust

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

Bankers

Lloyds Bank plc
Cox's & King's Branch
PO Box 1000
London
BX1 1LT

Solicitors

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

Investment House

Atomos Investments Limited
Monument Place
24 Monument Street
London
EC3R 8AJ

Independent auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust

We have audited the financial statements of Royal Engineers Vocational Education and Training 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 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.

Independent auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust (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

Independent auditor's report to the Trustees of the Royal Engineers Vocational Education and Training Trust (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.

Independent auditor's report to the Trustees of the Royal Engineers Vocational Education and Training 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, flowing style.

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.

Statement of financial activities
For the year ended 31 December 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	36,866	-	36,866	61,900
Investments	6	214,417	-	214,417	230,677
Total income		251,283	-	251,283	292,577
Expenditure on:					
Charitable activities	7	405,987	-	405,987	384,311
Total expenditure		405,987	-	405,987	384,311
Net expenditure before revaluations		(154,704)	-	(154,704)	(91,734)
Net gains/(losses) on investments		307,978	-	307,978	(361,684)
Net movement in funds for the year		153,274	-	153,274	(453,418)
Transfers between funds	18	-	-	-	-
Reconciliation of funds					
Total funds at 1 January 2023		6,835,114	-	6,835,114	7,288,532
Total funds at 31 December 2023		6,988,388	-	6,988,388	6,835,114

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

All activities relate to continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Charity Number 1068709
Balance sheet
As at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	14		-		1,698
Investments	15		6,870,509		6,674,274
			<u>6,870,509</u>		<u>6,675,972</u>
Current assets					
Debtors	16	5,393		29,536	
Cash at bank		178,072		170,945	
		<u>183,465</u>		<u>200,481</u>	
Creditors: amounts falling due within one year	17	(65,586)		(41,339)	
Net current assets			<u>117,879</u>		<u>159,142</u>
Net assets			<u>6,988,388</u>		<u>6,835,114</u>
Charity Funds					
Unrestricted funds	18		6,988,388		6,835,114
Total funds			<u>6,988,388</u>		<u>6,835,114</u>

The financial statements were approved by the Trustees on 27 June 2024 and signed on their behalf, by:



Brigadier GJ Boxall MBE, Trustee



Colonel RB Hawkins MBE ADC, Trustee

The notes on pages 18 to 30 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Statement of Cash Flows For the year ended 31 December 2023

	Note	2023	2022
		£	£
Net cash used in operating activities	22	<u>(339,593)</u>	<u>(548,296)</u>
Cash flows from investing activities			
Interest and dividends		214,417	230,677
Proceeds from sale of investments		6,053,528	2,951,398
Purchase of investments		(5,921,225)	(2,620,913)
Cash provided by investing activities		<u>346,720</u>	<u>561,162</u>
 Increase in cash and cash equivalents in the year		 <u>7,127</u>	 <u>12,866</u>
Cash and cash equivalents at the beginning of the year		170,945	158,079
Total cash and cash equivalents at the end of the year		<u>178,072</u>	<u>170,945</u>

Analysis of changes in net debt

	At 31 Jan 2023	Cashflows	At 31 Dec 2023
	£	£	£
Cash and cash equivalents			
Cash	170,945	7,127	178,072

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

1 General Administrative Information

Royal Engineers Vocational Education and Training Trust is an unincorporated charity in England and Wales with the charity registration number 1068709. The address of the registered office is Headquarters Royal Engineers, Ravelin Building, Brompton Barracks, Chatham, Kent, ME4 4UG. The charities principal objectives continue to be to promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively through involvement in nationally recognised vocational education and training schemes.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP(FRS102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Royal Engineers Vocational Education and Training 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 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.

2.3 Fund accounting

Unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

AWBL second call funding is restricted and can be used only for the Minley Project.

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

2.4 Income

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

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

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust 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 objectives of the trust and are always authorised by the trustees.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 7.

2.6 Tangible fixed assets and depreciation

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

Depreciation is provided to write off the cost, less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation used are as follows:

Computer and office equipment	-	10 - 20% per annum on cost
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2.7 Investments

Investments held as fixed assets are included in the accounts at mid-market valuation.

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 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.

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

2 Accounting policies (continued)

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.

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

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.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000 - three recorded phone quotations
- b. Between £5,000 and £10,000 - three written quotations from suppliers
- c. Over £10,000 - internal tender board selection from written quotations

2.15 Taxation

Royal Engineers Vocational Education and Training Trust 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.

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

3 Donations and Legacies

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note				
Grants	4	-	-	-	25,145
Donated services and facilities	5	36,866	-	36,866	36,755
		36,866	-	36,866	61,900

4 Grants

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Army Apprenticeship Fund	-	-	25,145
	-	-	25,145

All of the Grant income was restricted in 2022 .

5 Donated services and facilities

	Total funds 2023 £	Total funds 2022 £
Administrative salaries	36,866	36,755

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

6 Investment Income

	Total funds 2023 £	Total funds 2022 £
Dividends	213,533	230,620
Bank interest	884	57
	<u>214,417</u>	<u>230,677</u>

All of the investment income was unrestricted in 2023 and 2022.

7 Analysis of expenditure on Charitable activities

		Direct costs 2023 £	Support costs 2023 £	Total 2023 £	Total 2022 £
Training	Note 8	152,913	105,840	258,753	177,785
Development programme	9	1,032	81,187	82,219	131,976
Registration and certification fees	10	16,513	-	16,513	32,991
Health & safety testing		2,906	-	2,906	1,674
Tuition costs	11	-	20,320	20,320	18,074
Investment management fees		25,276	-	25,276	21,811
		<u>198,640</u>	<u>207,347</u>	<u>405,987</u>	<u>384,311</u>

Expenditure on charitable activities was £405,987 (2022: £384,311) of which £405,987 was unrestricted (2022: £359,123) and £Nil was restricted (2022: £25,188).

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

8 Training

	Total Funds 2023	Total Funds 2022
	£	£
Direct costs		
Continuous Personal Development	113,503	77,695
Professional Recognition Award	9,626	4,411
ME Armoured Qualification	29,784	-
	152,913	82,106
Support costs		
Depreciation of fixed assets	1,698	1,334
Legal and professional fees	7,999	459
Insurance	352	389
IT support & equipment	1,003	740
Stationery	226	219
Postage and telephone	18	85
Photocopier	333	279
Bank charges	8	11
Staff Trg & development	648	-
Travel and subsistence	295	389
Miscellaneous costs	247	409
Hospitality	79	-
Staff costs	80,645	79,113
Donated services and facilities - admin salaries	12,289	12,252
	105,840	95,679
	258,753	177,785

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

9 Development programme	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2023	2023	2023	2022
	£	£	£	£
Direct costs				
Training Development Programme	-	-	-	25,188
Defence Awarding Project	-	-	-	20,640
Maintaining Award Centre Status	1,032	-	1,032	-
	1,032	-	1,032	45,828
Support costs				
Insurance	363	-	363	401
IT support & equipment	1,033	-	1,033	762
Marketing & Website	1,732	-	1,732	-
Stationery	233	-	233	227
Postage and telephone	19	-	19	87
Subscriptions	247	-	247	249
Photocopier	343	-	343	288
Bank charges	8	-	8	11
Travel and subsistence	304	-	304	401
Miscellaneous costs	256	-	256	422
Hospitality	81	-	81	-
Communications Hub grant	20,000	-	20,000	26,250
Staff costs	44,279	-	44,279	44,798
Donated services and facilities - admin salaries	12,289	-	12,289	12,252
	81,187	-	81,187	86,148
	82,219	-	82,219	131,976

10 Registration and certification fees

	2023	2022
	£	£
Direct costs		
Registration	14,388	79,045
Certification	17,129	18,580
Refund Previous Year Expenditure	(15,004)	(64,634)
	16,513	32,991

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

11 Tuition costs	Total Funds 2023	Total Funds 2022
Support costs		
Audit fee	5,472	3,300
Insurance	352	389
IT support & equipment	1,003	740
Stationery	226	219
Postage and telephone	18	86
Photocopier	333	279
Bank charges	7	11
Travel and subsistence	295	389
Miscellaneous costs	248	409
Hospitality	78	-
Donated services and facilities - admin salaries	12,288	12,252
	20,320	18,074

12 Net expenditure

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,698	1,334
Auditor's remuneration	5,472	3,300

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 reimbursement of expenses (2022: £NIL).

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

13 Staff costs

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	111,701	110,593
Social security costs	5,019	4,986
Pension costs	8,204	8,332
	124,924	123,911

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

	2023	2022
	No.	No.
Direct charitable employment	9	9
Management and administration of the charity	2	3
	11	12

The average headcount expressed as full-time equivalents was:

	No.	No.
Direct charitable employment	3	3
Management and administration of the charity	2	2
	5	5

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

The total employment benefits including employer pension contributions of the key management personnel were £28,316 (2022: £30,903).

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

	Computer and Office Equipment
	£
14 Tangible fixed assets	
Cost	
At 1 January 2023	25,028
At 31 December 2023	<u>25,028</u>
Depreciation	
At 1 January 2023	23,330
Charge for the year	1,698
At 31 December 2023	<u>25,028</u>
Net book value	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>1,698</u>
15 Fixed asset investments	
	Listed securities £
Market value	
At 1 January 2023	6,674,274
Additions	5,921,225
Revaluations	328,538
Sold	(6,053,528)
At 31 December 2023	<u>6,870,509</u>
Historical cost	6,207,910
Investments at market value comprise:	
	2023 £
	2022 £
Listed investments	<u>6,870,509</u> 6,674,274

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

16 Debtors

	2023 £	2022 £
Trade debtors	3,628	4,391
Other debtors	1,765	25,145
	<u>5,393</u>	<u>29,536</u>

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	24,797	7,292
Accruals and deferred income	40,789	34,047
	<u>65,586</u>	<u>41,339</u>

18 Statement of funds

Current year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>6,835,114</u>	<u>251,283</u>	<u>(405,987)</u>	<u>-</u>	<u>307,978</u>	<u>6,988,388</u>
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Total of funds	<u>6,835,114</u>	<u>251,283</u>	<u>(405,987)</u>	<u>-</u>	<u>307,978</u>	<u>6,988,388</u>
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Prior year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>7,288,532</u>	<u>267,432</u>	<u>(359,123)</u>	<u>(43)</u>	<u>(361,684)</u>	<u>6,835,114</u>
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Restricted funds

Army Apprenticeship Fund	<u>-</u>	<u>25,145</u>	<u>(25,188)</u>	<u>43</u>	<u>-</u>	<u>-</u>
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Total of funds	<u>7,288,532</u>	<u>292,577</u>	<u>(384,311)</u>	<u>-</u>	<u>(361,684)</u>	<u>6,835,114</u>
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Notes to the financial statements
For the year ended 31 December 2023

19 Analysis of net assets between funds

Current year	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	-
Fixed asset investments	6,870,509	-	6,870,509
Current assets	183,465	-	183,465
Creditors due within one year	(65,586)	-	(65,586)
	6,988,388	-	6,988,388

Prior year	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,698	-	1,698
Fixed asset investments	6,674,274	-	6,674,274
Current assets	200,481	-	200,481
Creditors due within one year	(41,339)	-	(41,339)
	6,835,114	-	6,835,114

20 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 £8,204 (2022: £8,332).

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

21 Related party transactions

All funds received and expended are in respect of providing education and training to military and civilian staff in Royal Engineer units. Further details are provided in the Trustees' Annual Report.

The Trustees control the Trust.

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

	Total funds 2023	Total funds 2022
	£	£
Net movement in funds	153,274	(453,418)
Add back depreciation charge	1,698	1,334
Deduct interest income shown in investing activities	(214,417)	(230,677)
Deduct gains / add back losses on investments	(328,538)	172,390
Decrease (increase) in debtors	24,143	(27,479)
Decrease (increase) in creditors	24,247	(10,446)
Net cash used in operating activities	(339,593)	(548,296)

Accounts

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2022

Royal Engineers Vocational Education and Training Trust

Contents

	Page
Trustee's report	1 – 8
Reference and administrative details of the Charity, its trustees, and advisers	9 - 10
Independent auditor's report	11 – 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 30

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2022

The Trustees present their annual report and the audited financial statements of the Charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate: there are no material uncertainties.

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

"To promote the efficiency of the Army and in particular the Royal Engineers (RE)¹ by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational education and training schemes".

EXPLANATION OF AIMS

The aims of the Trust are to:

- Ensure that the currency of the existing qualifications portfolio is maintained. This is to include engagement with external delivery organisations where syllabus modifications force changes.
- Ensure that the existing qualifications portfolio is delivered effectively and efficiently, and to standards required by the awarding organisations concerned.
- Develop the scope of the qualification's portfolio to the fullest extent possible in order to maximise the trade Professionalism of the RE Workforce.
- Inform and influence the Corps Whole Life Development Plan in conjunction with SO1 Careers, RHQ RE.
- Fund and administer the Professional Recognition Awards Scheme which offers higher level qualifications for Sappers above the rank of Corporal with the relevant qualifications, trade, command, and management experience.
- Fund personal professional development via the Study Grant Scheme (formerly the Bursary Scheme).
- Provide direction and financial support for the continuation of the RE CPD Unit Funds scheme.
- Work with internal and external organisations, agencies and staff who provide training, education and accreditation schemes to the (RE) in order to maximise the efficiency of the Trust's work and optimise learning and qualification opportunities for all Sappers.

MAIN OBJECTIVES IN 2022

The Trust's main objectives during the reporting year were:

- Training:
 - Maintenance of existing qualifications schemes.
 - Continuation of Professional Recognition Award Scheme and REVETT's Study Grant Scheme.
 - Continuation of the RE MBA distance learning course in partnership with Anglia Ruskin University.
 - Maintenance of direct claim status with external awarding bodies.
- Projects:
 - Continue to develop the RE CPD website and expand the understanding and reach of the Charity.
 - Maintain an outreach programme to inform RE units and individuals about what RE CPD offers.
 - Continue work with the Corps Communications Hub in order to publicise the Trust's activities through publications, online platforms, and social media.

¹ This includes the Queen's Gurkha Engineers

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2022

- Governance:
 - Provide assurance to the Chief Royal Engineer that the Charity conforms to all relevant legislation and rules. A Quinquennial Review was carried out in 2019.
 - Maintain close control by Trustees over the Charity's spending to ensure best use of finance, including close cooperation with the fund manager to ensure that risk and reward profiles are properly balanced.
 - Trustees and the CE to review, manage and mitigate risk using the REVETT Risk Register.
 - Manage the partnership agreement with the University of Greenwich (provision of degrees for Clerks of Works and Military Plant Foremen) up to 31 Dec 22.

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2022

The Trust's strategy for achieving its main objectives during the reporting year entailed:

- Maintaining and enhancing a portfolio of qualifications for the (RE Workforce).
- Production of an operational plan and annual budget to meet Trustee objectives and Board priorities.
- Maintaining a policy of continuous improvement in respect of the management, administration, and quality assurance of approved qualifications.
- The allocation of appropriate funding in support of the key activities required to meet objectives.
- A continued programme of outreach to units to advertise what benefits the Charity can offer.
- Ongoing research and development activity to provide new qualifications where required that best meet the needs of the workforce in line with Trustees direction.

DETAILS OF SIGNIFICANT ACTIVITIES IN 2022

In August 2022, following a period of illness (Mar to Aug 22), our Chief Executive left the charity in order to concentrate on his health and wellbeing. This was fully supported by Trustees and a remuneration package agreed. Moving forward, the Board opted to recruit a Director of Operations rather than a CE to better align with the Board's strategy for future REVETT development and delivery. Trustee's intention is to have the new Director of Operations in situ in Q1 of 2023. The period Mar to Dec 22 has been a challenge with no CE, however Trustees have ensured the Charity's operations continue however development has suffered.

The Charity continually reviews governance procedures and is looking to rebalance the diversity of the membership of the cohort of trustees.

The Charity previously funded degrees for students undergoing training as Clerks of Works and Military Plant Foremen. The qualification underpins graduates' ability to practice as Incorporated Engineers (IEng) and operate in a military and civilian framework. Costs have escalated to over £80K p.a. The basis of the degree has also risen to BEng (Hons). Trustees consider that this expense is not sustainable in the long term and a case has been raised to transfer the cost to the Defence budget (public funds). It is the view of the Trustees that the requirement for IEng as a professional proof of competence is directly linked to a Defence requirement and therefore must fall to the MOD. During 2022 some public funds were drawn down via Home Command from end of year underspends, this helped reduce the draw on the Charity. The charity has now made it clear it will provide no funding for this activity from 1st January 2023.

REVETT output is linked, primarily, to providing and funding qualifications achieved by the RE workforce during their trade training, normally between national levels 3 and 5. The table below shows the number and type of qualifications provided to members of the Corps during 2022.

Efforts to refresh, update and expand the range of qualifications offered to the workforce continue to be hampered due to ongoing issues within the Defence Awarding Organisation (DAO) based at Shrivenham. Their output remains restricted due to workforce and business process changes. REVETT still awaits a number of qualifications originally developed in 2018 and 2019. Additionally, Recognition of Prior Learning (RPL) remains in abeyance and is only to be authorised on exceptional circumstances. Ofqual are placing stronger emphasis on Awarding Organisation's regarding RPL in accordance with Centre Assessment Standard Scrutiny (CASS) and should not be implemented as Centre normal business. These challenges are not unique to the Charity, other DAO Centres have the same issues. The main qualifications affected are:

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2022

- A new ME Heating & Plumbing qualification at 2-1 course level. Equates to a Level 3 award.
- A new Search qualification.
- Outboard Motor qualification.

Alternate routes for these qualifications are being developed, including the Standard apprenticeship pathway.

DAO's 5 year review of REVETT qualifications has also been delayed and degraded by workforce shortages at DAO. This has been exacerbated by the inability of DAO, the Defence awarding organisation, to interrogate the mandated MOD training IT systems. As a result, 11 qualifications were suspended temporarily, but reinstated following two very successful external quality assessment (EQA) visits. These proved high levels of assurance of the people, systems and processes within the RSME Group (the training provider). The review of qualifications from Jan 22 did not go smoothly, due to a number of reasons. In effect, everything was set back with previous successes undone. In Jul 22 a new DAO CE was appointed and, post a successful meeting in Jul 22, within capacity, SO1 Careers has engaged temporarily to move issues forward to resolution. To better prepare the ground for the Director of Operations, a DAO assurance visit has been scheduled for Dec 2023.

The Corps' Accreditation Matrix² shows military trades and corresponding civilian qualifications across all ranks from Sapper to Warrant Officer. Where qualifications are not available to the workforce, it is REVETT's intent to address the shortfall in accordance with Trustees' priorities.

The Trust operates the Royal Engineers Professional Recognition Awards (PRA) scheme under delegated authority from City & Guilds Institute (London). This offers a single progressive structure, Level 4 to Level 7 to corporals and above. The levels are competence-based and require evidence of the practical application of professional skills, knowledge, and experience to provide a work-based route to higher level qualifications without a formal examination. Take-up rates for PRAs reduced in 2022 (46 – down from 95 in 2021) although it is pleasing to see that a greater proportion of more junior soldiers achieving these awards.

The second flagship scheme operated by REVETT is the Study Grant scheme, formerly the Bursary Scheme. This funds individual members of the Corps who wish to undertake external programmes of study, typically for first or second degrees on a distance-learning basis, for all ranks of the Corps. The scheme also supports non-academic qualifications to encourage younger soldiers to start CPD early. 43 grants were awarded in 2022 (60 in 2021).

The table below shows total qualifications and awards made by REVETT during 2022:

REVETT - TOTAL QUALIFICATIONS AND AWARDS 2022

Course/Military Title	National Level	Total Awards
ME Bricklaying and Concreting 0-2	2	12
ME Bricklaying and Concreting 2-1	3	19
ME Building and Structural Finishing 0-2	2	24
ME Building and Structural Finishing 2-1	3	18
ME Carpentry and Joinery 0-2	2	24
ME Carpentry and Joinery 2-1	3	30
ME Construction Materials Technology 0-2	3	10
ME Construction Materials Technology 2-1	5	4
ME Design Draughtsman 0-2	3	19
ME Design Electrical and Mechanical 0-2	3	12
ME Design Electrical and Mechanical 2-1	5	5
ME Electrical Installations 0-2	3	72
ME Electrical Installations 2-1	4	31
ME Fabricator Welder 2-1 (C&G)	3	24
ME Fitter Air Conditioning & Refrigeration 0-2 (C&G)	3	14
Engineering Maintenance – Fitter Equipment (C&G)	3	34
Engineering Maintenance – Fitter Utilities & Petroleum (C&G)	3	9

² The latest Accreditation Matrix is available on the RE CPD website: <https://re-cpd.org.uk/accreditation-matrix-2/>

ME Plant Operator Mechanic 0-2	3	33
ME Plant Supervisor	4	18
ME Survey 0-2	3	12
Site Management Safety Tests	NA	114
Health & Safety Tests	NA	153
Defence Explosive Munitions and Search School	3	92
Professional Management Qualifications (PMQ)	4 to 5	53
Abrasive Wheels	2	51
Clerks of Works / Military Plant Foreman Foundation Degree	5 to 6	25
Study Grant (formerly Bursaries)	2 to 7	43
Professional Recognition Awards (City and Guilds)	4 to 7	46
	Total	1001

Note: C&G = City and Guilds.

QUALIFICATION LEVELS IN ENGLAND, WALES, AND NORTHERN IRELAND

The National Qualifications Framework							
Level 8	Higher Education	Doctorate				Degree Apprenticeship	Higher Apprenticeship
Level 7		Masters	Foundation degree	Chartered Professional Qualifications			
Level 6		Undergraduate degree BA BSc					
Level 5							
Level 4				Higher National Certificate			
Level 3	Further Education	A-Levels	BTEC National Diplomas/ NVQ	T-Levels		Advanced Apprenticeship	
Level 2		GCSE Grade A-C		BTEC Level2/ NVQ			Intermediate Apprenticeship
Level 1		GCSE Grade D-G					

In addition, during 2022, REVETT continued to support the RE Workforce at unit level via the delegated Unit CPD Fund. £45,828 was allocated across 31 units. The fund enabled the chain of command to support the workforce through quick impact allocation across a board range of CPD activities, not just education. The funds were well received and appropriately spent. There were 189 direct beneficiaries and in-direct beneficiaries through group activity / instruction is estimated to be c760 members of the workforce. Examples of CPD include: Deer Stalking, L3 First Responders, Nutrition, CrossFit Coach, Mountain Bike Maintainer, Butchery, Photographic, Pool Lifeguard, Speech Therapy and Chimney Sweep courses.

REVETT also support the Army Reserve with civilian qualifications, despite real constraints in terms of time to train and access to accredited Regular Army courses of instruction and their associated qualifications. In accordance with the Corps' Whole Life Development Plan (WLDP), the full range of CPD opportunities remain available to the Reserve: efforts continue to encourage participation. The PRA and Study Grant schemes continue to prove popular.

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

Throughout 2022, learner achievements have remained good: REVETT enabled 40 different qualifications to the

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2022

workforce. There were 1,001 learners in year (2021: 1,341) and the first-time achievement rate was 89%. Highly impressive results have continued to be achieved by the Clerk of Works and Military Plant Foremen on their degree course, delivered in partnership with the University of Greenwich. It is of note that UoG/RSME candidates must achieve 60% or above, rather than 40% for a standard degree.

RSME Gp and REVETT are subject to regular, detailed external evaluation visits (EQA, cf OFSTED) to ensure currency and quality of training and education. We continue to score highly during EQA visits and are considered across the board, to be 'low risk', i.e. the highest grading. As previously mentioned, Direct Claim status is suspended for all qualifications across all DAO centres, pending the introduction of new Strategy for Centre Assessment Standards Scrutiny (CASS) requirements. C&G direct claim status remains in place and has not been affected. In terms of the overall learning experience, formal student external validation of REVETT's activities continue to be graded as Good or Outstanding.

The Royal Engineers Continuous Personal Development website, www.re-cpd.org.uk provides a valuable resource for the global RE Workforce: visitor numbers rose by 5% in year. The website offers a useful portal for information on REVETT activities and is linked into the broader Corps websites. It has proved to be particularly useful as a means of directing the RE Workforce to the Professional Recognition Awards and Study Grant schemes. All relevant RE CPD forms and handbooks are held there. The website also features blogs linked to major RE social media platforms. Work continues to investigate improved synergies with other RE websites, data platforms and service providers.

INVESTMENT PERFORMANCE

The past year has been an exceptional year for investment markets, with just about all suffering downturns. Major markets such as the FTSE 250 lost 18.08% on the year, the S&P 500 lost 19.31% and the Eurostoxx 50 lost 7.5%. However, we are used to seeing these types of returns in equity markets and also know that we will see a recovery at some point that will turn these markets around. However, during the course of the last year, not only did we see significant falls amongst the equity markets, but we also saw equity type falls within the fixed interest markets – with the UK Gilt market losing 29.11% and the Corporate Bond market losing 19.63%. Performance like this is just about unheard of for this particular asset and has been brought about by the perfect storm of historically low interest rates and a very large and quick rise in inflation, resulting in interest rates rising in quick succession.

Against this backdrop, the investment portfolio has held up remarkably well during this period, falling by 2.15% for the 2022 full year. The relative Benchmark lost 10.18% during the same period. It has helped that the portfolio held relatively little technology during this period as these investments fell heavily having become very expensive during the previous few years. It has also helped that we held no UK gilts – these have been of no value to investors for a few years and so we have avoided holding them. On the positive side, the portfolio has been overweight in Resources. The rather significant holding of Exxon Mobil has been the strongest performer, +1.52% on the year. BP, Rio Tinto and the more recently acquired Blackrock World Mining Trust have also performed strongly. All of these holdings also provide a strong level of income.

During the hugely volatile period in the markets following the Truss administration emergency budget, the gilt market in particular was extraordinarily volatile as pension funds tried to put their houses in order. As a result of this brief window of opportunity, we were able to pick up two gilt investments, Treasury 4.25% 2032 and Treasury 4.25% 2027, both of which were purchased very close to par (nominal value) which means that we have now tied in a more or less risk free return of 4.25% until the redemption dates of these investments.

With regards to the income generated by the fund, we began 2022 generating an estimated gross annual income of £200,438 (yield 2.79%) and at the end of 2022 this stood at £250,273 (yield 3.75%). We have actively sought out investments with higher payments to both help with the overall performance of the fund but also to provide additional income for distribution in these straitened times, should it be needed.

FINANCIAL REVIEW

GENERAL

Net expenditure before other recognised gains and losses was £91,734 (2021: £281,355). No additional funds were passed to the Fund Manager for investment in 2022 (2021: £Nil). Losses on investments amounted to

Royal Engineers Vocational Education and Training Trust
Trustee's Report for the year ended 31 December 2022

£361,684 (2021: gains of £654,188).

BALANCE SHEET

Accumulated funds decreased by £453,418 to £6,835,114 (2021: increased by £372,833 to £7,288,532)

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 Investment Managers, within the parameters of overall guidance by the Trustees.

INVESTMENT HOUSE & POLICY

The REVETT investment is managed by atomos Ltd (rebranded from Sanlam) in a portfolio with a risk level 5 of 7, with Trustee authority to move to level 6 if required to exploit opportunities as they arise. The objective of the Fund is unchanged and seeks primarily to achieve capital growth with some requirements for income whilst seeking a balance between safety and investment growth potential.

RESERVE POLICY (CAPITAL)

Trustees have stated that they a duty to honour qualifications for a period greater than 5 years, to a rolling horizon of 20 years. Unrestricted capital reserves total £6,835,114 (2021: £7,288,532) with no external income streams. Trustees assess that they have funds and investments to protect qualifications for 10-15 years and to fund the planned excess of expenditure over income 2023–2026. Trustees monitor capital, reserves and investments at each board meeting and are seeking new income streams.

GRANT MAKING POLICIES

Grants are considered by the Trust in line with the Trust deed and are duly recorded.

REVIEW OF PRINCIPAL FUNDING SOURCES

REVETT's principal source of funding in 2022 income was from its investments.

PLANS FOR THE FUTURE

The Trust intends to:

- Appoint a new Director of Operations and complete a full business process review within 12 months.
- Continue the operation and funding of its core business: the provision of appropriate qualifications for the RE Workforce.
- Relaunch the website and other platforms, moving applications on-line through a digitation strategy in conjunction with the RE Communications Hub.
- Seek opportunities to improve the range and quality of the qualification's portfolio.
- Continue and develop partnership arrangements with selected FE and HE establishments.
- Promote and support continuous personal development throughout the RE Workforce.
- Continue to identify and develop opportunities to improve the financial position of the Trust.

ACTIVITY REPORTING

Allocation of staff time to principal objectives and routine governance is based on the percentage individual staff members contribute to each objective or governance.

PUBLIC BENEFIT

In addition to promoting the efficiency of the Army and, in particular, RE by advancing the education and

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2022

competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational educational and training schemes, the work of REVETT benefits the public by:

- Ensuring that RE Workforce are qualified for civilian employment on discharge, thereby making them more likely to be productive, self-sufficient citizens in civilian life.
- Making enlistment into the Corps more attractive, thereby supporting recruitment.
- Making extended service in the Corps more attractive by providing qualification progression routes, thereby supporting retention and enhancing the Lived Experience.

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

At the beginning of 2013 the then governing document was made up of three components: the Declaration of Trust dated 3 December 1997, the First Deed of Amendment in 2007, and the Second Deed of Amendment in 2011. The decision was taken during the year to consolidate their provisions into a single document, with the aim of improving clarity. This resulted in the Deed of Constitution and Amendment which came into effect in August 2013, and became the governing document. Another Deed of Amendment was produced in 2015 (17 November 2015) leading to the 2016 Consolidating Trust Deed which is the current governing document.

APPOINTMENT OF TRUSTEES

The Deed of Constitution and Amendment referred to above provides for a maximum of 7 ex-officio Trustees and a maximum of 3 co-opted. The latter are now appointed for a period of twelve months by a resolution of the Trustees passed at a special meeting. Co-opted Trustees may be re-appointed by the same process. The Trustees who served during the year are detailed on page 9. As mentioned earlier in this report, the Trustees are being changed to bring greater diversity to the Board and to increase the expertise in higher education.

TRUSTEE INDUCTION AND TRAINING

New Trustees are briefed on their role and responsibilities and advised to study the guidance provided by the Charity Commission website. All new Trustees, where possible, attend a trustee training course within 6 months of appointment and refresher training every 3 years.

ORGANISATIONAL STRUCTURE AND NETWORKS

To enable the Trust to achieve its objects, it employs a small operations team to:

- Develop and maintain appropriate policies and procedures.
- Conduct, promote, update and report on operations.
- Identify, develop, implement, maintain, and improve accreditation opportunities for Royal Engineers.

Although autonomous, the Trustees and their employees collaborate closely with various organisations, including:

- The Royal School of Military Engineering (RSME) and other establishments training Royal Engineers.
- The Public Private Partnership (PPP) contractors to the RSME, known as Holdfast.
- Other Trusts and organisations supporting education and work-based learning for the Army.
- Sector Skills Councils (SSC) responsible for specifying national competency standards in particular occupations.
- Awarding Organisations (AO), including DAO.

RISK MANAGEMENT STATEMENT

The Trustees monitor the major risks to which the Charity is exposed, regularly review the risk register, and are satisfied that systems have been established to manage risks identified.

Royal Engineers Vocational Education and Training Trust Trustee's Report for the year ended 31 December 2022

The 2 key risks identified remain constant:

- **Operational Risk.** A failure to conclude vocational qualification programmes, initiated by either REVETT or other providers, for Corps personnel. This risk is being mitigated through the close monitoring (by the CE) of successful completion rates and promoting awareness of the track record and success rates throughout the Corps. It is further mitigated by ensuring robust and effective monitoring is in place, with regular feedback, from all external providers.
- **Financial Risk.** A failure to generate sufficient returns from investments and/or failure to generate income from other activities to fund REVETT's annual activities. In 2016 REVETT transferred its investment portfolio to a different investment manager to generate a better return. The REVETT Board will also undertake rigorous consideration of new income generation activities.

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 Charity and 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 then 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 departure disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business

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 & 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



**Colonel RB Hawkins MBE ADC
Trustee**

24th April 2023

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2022

Trustees

APPOINTMENT	NAME	APPOINTED	RESIGNED
Comdt RSME Gp	Brig PJ Rowell MBE	September 2019	
Corps Col	Col M Quare MBE ADC	September 2017	December 2022
	Col RB Hawkins MBE ADC	December 2022	
Corps Col (Reserves)	Col AJG Ryan TD	November 2019	December 2022
	Col AJ Cooper QVRM TD	December 2022	
DComd 25 Engr Gp	Lt Col CW Battey	February 2020	
DComd 8 Engr Bde	Col HTS Ricketts OBE	September 2021	
RE Corps Sergeant Major	WO1 (Corps SM) M Elliott MBE	September 2021	
Industry Independent	Mr N Goldie-Scot	December 2018	
Education Independent	Mr S Cook	January 2016	

Co-opted

Treasurer	Maj (Retd) I Sidebottom	September 2013	
Chief Executive	Lt Col (Retd) G J Hannington	December 2020	August 2022

Charity registered number

1068709

Principal office

Headquarters Royal School of Military Engineering
Brompton Barracks
Chatham
Kent
ME4 4UG

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2022

Independent auditor

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

Bankers

Lloyds plc
Cox's & King's Branch
PO Box 1000
London
BX1 1LT

Solicitors

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

Investment House

Atomos Investments Limited
Monument Place
24 Monument Street
London
EC3R 8AJ

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust

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

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

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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:

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

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.

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU
Date: 25 May 2023

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

Royal Engineers Vocational Education and Training Trust

Statement of financial activities For the year ended 31 December 2022

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	36,755	25,145	61,900	57,661
Investments	6	230,677	-	230,677	197,747
Total income		267,432	25,145	292,577	255,408
Expenditure on:					
Charitable activities	7	359,123	25,188	384,311	536,763
Total expenditure		359,123	25,188	384,311	536,763
Net income/(expenditure) before revaluations		(91,691)	(43)	(91,734)	(281,355)
Net gains/(losses) on investments		(361,684)	-	(361,684)	654,188
Net movement in funds for the year		(453,375)	(43)	(453,418)	372,833
Transfers between funds	18	(43)	43	-	-
Reconciliation of funds					
Total funds at 1 January 2022		7,288,532	-	7,288,532	6,915,699
Total funds at 31 December 2022		6,835,114	-	6,835,114	7,288,532

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

All activities relate to continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Balance sheet As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	14		1,698		3,032
Investments	15		6,674,274		7,177,149
			<u>6,675,972</u>		<u>7,180,181</u>
Current assets					
Debtors	16	29,536		2,057	
Cash at bank			170,945		158,079
			<u>200,481</u>		<u>160,136</u>
Creditors: amounts falling due within one year	17	(41,339)		(51,785)	
Net current assets			<u>159,142</u>		<u>108,351</u>
Net assets			<u>6,835,114</u>		<u>7,288,532</u>
Charity Funds					
Restricted funds	18		-		-
Unrestricted funds	18		6,835,114		7,288,532
Total funds			<u>6,835,114</u>		<u>7,288,532</u>

The financial statements were approved by the Trustees on 24th April 2023 and signed on their behalf, by:



Brigadier P J Rowell MBE, Trustee



Colonel RB Hawkins MBE ADC, Trustee

The notes on pages 18 to 30 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Statement of Cash Flows For the year ended 31 December 2022

	Note	2022	2021
		£	£
Net cash used in operating activities	22	<u>(548,296)</u>	<u>(166,006)</u>
Cash flows from investing activities			
Interest and dividends		230,677	197,747
Purchase of tangible fixed assets		-	(1,118)
Proceeds from sale of investments		2,951,398	3,579,385
Purchase of investments		(2,620,913)	(3,591,388)
Cash provided by investing activities		<u>561,162</u>	<u>184,626</u>
Increase in cash and cash equivalents in the year		<u>12,866</u>	<u>18,620</u>
Cash and cash equivalents at the beginning of the year		158,079	139,459
Total cash and cash equivalents at the end of the year		<u>170,945</u>	<u>158,079</u>

Analysis of changes in net debt

	At 31 Jan 2022	Cashflows	At 31 Dec 2022
	£	£	£
Cash and cash equivalents			
Cash	158,079	12,866	170,945

Royal Engineers Vocational Education and Training Trust

Notes to the financial statements

For the year ended 31 December 2022

1 General Administrative Information

Royal Engineers Vocational Education and Training Trust is an unincorporated charity in England and Wales with the charity registration number 1068709. The address of the registered office is Headquarters Royal Engineers, Ravelin Building, Brompton Barracks, Chatham, Kent, ME4 4UG. The charities principal objectives continue to be to promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively through involvement in nationally recognised vocational education and training schemes.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP(FRS102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Royal Engineers Vocational Education and Training 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 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.

2.3 Fund accounting

Unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

AWBL second call funding is restricted and can be used only for the Minley Project.

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

2.4 Income

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

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

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust 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 objectives of the trust and are always authorised by the trustees.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 7.

2.6 Tangible fixed assets and depreciation

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

Depreciation is provided to write off the cost, less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation used are as follows:

Computer and office equipment	-	10 - 20% per annum on cost
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2.7 Investments

Investments held as fixed assets are included in the accounts at mid-market valuation.

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 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.

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

2 Accounting policies (continued)

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.

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

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.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000 - three recorded phone quotations
- b. Between £5,000 and £10,000 - three written quotations from suppliers
- c. Over £10,000 - internal tender board selection from written quotations

2.16 Taxation

Royal Engineers Vocational Education and Training Trust is a registered charity and accordingly no provision is considered necessary for taxation.

2.17 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.

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

3 Donations and Legacies

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
		£	£	£	£
Grants	Note 4	-	25,145	25,145	23,470
Donated services and facilities	5	36,755	-	36,755	34,191
		36,755	25,145	61,900	57,661

4 Grants

	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£
Army Apprenticeship Fund	25,145	25,145	23,470
	25,145	25,145	23,470

All of the Grant income was restricted in 2022 and 2021.

5 Donated services and facilities

	Total funds 2022	Total funds 2021
	£	£
Administrative salaries	36,755	31,350

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

6 Investment Income

	Total funds 2022 £	Total funds 2021 £
Dividends	230,620	197,716
Bank interest	57	31
	<u>230,677</u>	<u>197,747</u>

All of the investment income was unrestricted in 2022 and 2021.

7 Analysis of expenditure on Charitable activities

		Direct costs 2022 £	Support costs 2022 £	Total 2022 £	Total 2021 £
Training	Note 8	82,106	95,679	177,785	212,627
Development programme	9	45,828	86,148	131,976	119,524
Registration and certification fees	10	32,991	-	32,991	165,009
Health & safety testing		1,674	-	1,674	986
Tuition costs	11	-	18,074	18,074	18,555
Investment management fees		21,811	-	21,811	20,062
		<u>184,410</u>	<u>199,901</u>	<u>384,311</u>	<u>536,763</u>

Expenditure on charitable activities was £384,311 (2021: £536,763) of which £359,123 was unrestricted (2021: £511,270) and £25,188 was restricted (2021: £25,493).

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

8 Training

	Total Funds 2022	Total Funds 2021
	£	£
Direct costs		
Continuous Personal Development	77,695	103,227
Professional Recognition Award	4,411	7,240
Training Development Programme	-	2,772
	82,106	113,239
Support costs		
Depreciation of fixed assets	1,334	1,334
Legal and professional fees	459	-
Insurance	389	467
IT support & equipment	740	2,321
Stationery	219	200
Postage and telephone	85	104
Photocopier	279	291
Bank charges	11	1
Travel and subsistence	389	472
Miscellaneous costs	409	42
Hospitality	-	46
Staff costs	79,113	82,713
Donated services and facilities - admin salaries	12,252	11,397
	95,679	99,388
	177,785	212,627

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

9 Development programme	Unrestricted funds 2022	Restricted funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Direct costs				
Training Development Programme	-	25,188	25,188	25,493
Defence Awarding Project	20,640	-	20,640	-
	20,640	25,188	45,828	25,493
Support costs				
Insurance	401	-	401	482
IT support & equipment	762	-	762	2,391
Stationery	227	-	227	207
Postage and telephone	87	-	87	107
Subscriptions	249	-	249	249
Photocopier	288	-	288	300
Bank charges	11	-	11	1
Travel and subsistence	401	-	401	487
Miscellaneous costs	422	-	422	43
Hospitality	-	-	-	47
Communications Hub grant	26,250	-	26,250	26,200
Staff costs	44,798	-	44,798	52,120
Donated services and facilities - admin salaries	12,252	-	12,252	11,397
	86,148	-	86,148	94,031
	106,788	25,188	131,976	119,524

10 Registration and certification fees

	2022	2021
	£	£
Direct costs		
Registration	79,045	141,638
Certification	18,580	23,371
Refund Previous Year Expenditure	(64,634)	-
	32,991	165,009

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

11 Tuition costs	Total Funds 2022	Total Funds 2021
Support costs		
Audit fee	3,300	3,179
Insurance	389	467
IT support & equipment	740	2,321
Stationery	219	200
Postage and telephone	86	104
Photocopier	279	291
Fees and Licences	-	35
Bank charges	11	1
Travel and subsistence	389	472
Miscellaneous costs	409	42
Hospitality	-	46
Donated services and facilities - admin salaries	12,252	11,397
	18,074	18,555
	18,074	18,555

12 Net income / (expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,334	1,334
Auditor's remuneration	3,300	3,179

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

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

During the year, no Trustees received any reimbursement of expenses (2021: £NIL).

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

13 Staff costs

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	110,593	118,645
Social security costs	4,986	6,963
Pension costs	8,332	9,226
	123,911	134,834

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

	2022	2021
	No.	No.
Direct charitable employment	4	4
Management and administration of the charity	3	3
	7	7

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

The total employment benefits including employer pension contributions of the key management personnel were £30,903 (2021: £45,238).

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

	Computer and Office Equipment
	£
14 Tangible fixed assets	
Cost	
At 1 January 2022	25,028
At 31 December 2022	<u>25,028</u>
Depreciation	
At 1 January 2022	21,996
Charge for the year	1,334
At 31 December 2022	<u>23,330</u>
Net book value	
At 31 December 2022	<u>1,698</u>
At 31 December 2021	<u>3,032</u>
15 Fixed asset investments	
	Listed securities £
Market value	
At 1 January 2022	7,177,149
Additions	2,620,913
Revaluations	(172,390)
Sold	(2,951,398)
At 31 December 2022	<u>6,674,274</u>
Historical cost	6,485,618
Investments at market value comprise:	
	2022 £
	2021 £
Listed investments	<u>6,674,274</u> 7,177,149

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

16 Debtors

	2022 £	2021 £
Trade debtors	4,391	1,969
Other debtors	25,145	88
	<u>29,536</u>	<u>2,057</u>

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,292	5,826
Accruals and deferred income	34,047	45,959
	<u>41,339</u>	<u>51,785</u>

18 Statement of funds

Current year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>7,288,532</u>	<u>267,432</u>	<u>(359,123)</u>	<u>(43)</u>	<u>(361,684)</u>	<u>6,835,114</u>
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Restricted funds

Army Apprenticeship Fund	<u>-</u>	<u>25,145</u>	<u>(25,188)</u>	<u>43</u>	<u>-</u>	<u>-</u>
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Total of funds	<u>7,288,532</u>	<u>292,577</u>	<u>(384,311)</u>	<u>-</u>	<u>(361,684)</u>	<u>6,835,114</u>
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Prior year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
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Unrestricted funds

Unrestricted income fund	<u>6,915,699</u>	<u>231,938</u>	<u>(511,270)</u>	<u>(2,023)</u>	<u>654,188</u>	<u>7,288,532</u>
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Restricted funds

Army Apprenticeship Fund	<u>-</u>	<u>23,470</u>	<u>(25,493)</u>	<u>2,023</u>	<u>-</u>	<u>-</u>
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Total of funds	<u>6,915,699</u>	<u>255,408</u>	<u>(536,763)</u>	<u>-</u>	<u>654,188</u>	<u>7,288,532</u>
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Royal Engineers Vocational Education and Training Trust

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

19 Analysis of net assets between funds

Current year	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,698	-	1,698
Fixed asset investments	6,674,274	-	6,674,274
Current assets	200,481	-	200,481
Creditors due within one year	(41,339)	-	(41,339)
	6,835,114	-	6,835,114

Prior year	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,032	-	3,032
Fixed asset investments	7,177,149	-	7,177,149
Current assets	160,136	-	160,136
Creditors due within one year	(51,785)	-	(51,785)
	7,288,532	-	7,288,532

20 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 £8,332 (2021: £9,226).

Royal Engineers Vocational Education and Training Trust

Notes to the financial statements

For the year ended 31 December 2022

21 Related party transactions

All funds received and expended are in respect of providing education and training to military and civilian staff in Royal Engineer units. Further details are provided in the Trustees' Annual Report.

The Trustees control the Trust.

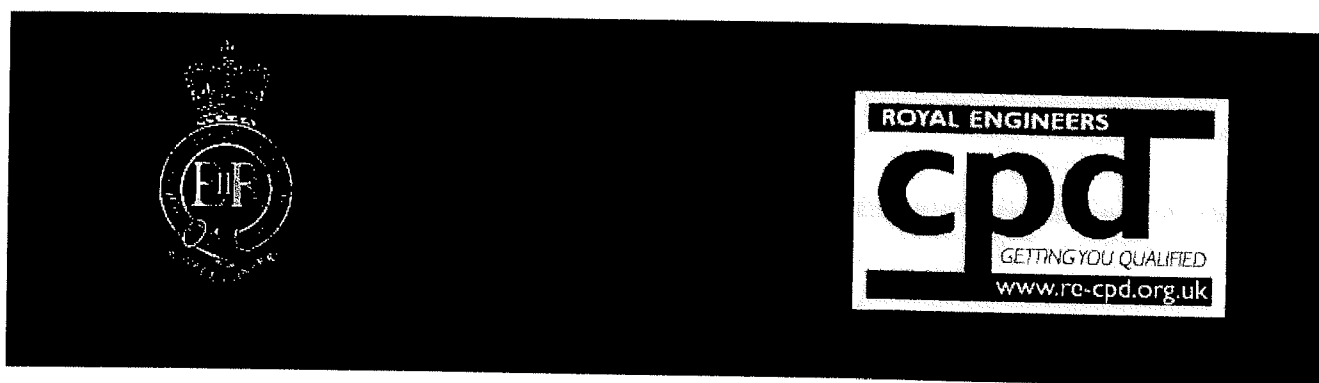
22 Reconciliation of net movement in funds to net cash flow from operating activities.

	Total funds 2022	Total funds 2021
	£	£
Net movement in funds	(453,418)	372,833
Add back depreciation charge	1,334	1,334
Deduct interest income shown in investing activities	(230,677)	(197,747)
Deduct gains / add back losses on investments	172,390	(319,840)
Decrease (increase) in debtors	(27,479)	9,185
decrease in creditors	(10,446)	(31,771)
Net cash used in operating activities	(548,296)	(166,006)

Accounts

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2021

Royal Engineers Vocational Education and Training Trust

Contents

	Page
Trustee's report	1 – 10
Reference and administrative details of the Charity, its trustees and advisers	11 - 12
Independent auditor's report	13 – 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 32

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

The Trustees present their annual report and the audited financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate: there are no material uncertainties.

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

"To promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational education and training schemes".

EXPLANATION OF AIMS

The aims of the Trust are to:

- Ensure that the currency of the existing qualifications portfolio is maintained. This is to include engagement with external delivery organisations where syllabus modifications force changes.
- Ensure that the existing qualifications portfolio is delivered effectively and efficiently, and to standards required by the awarding organisations concerned.
- Develop the scope of the qualifications portfolio to the fullest extent possible in order to maximise the trade Professionalism of the RE Workforce.
- Inform and influence the Corps Whole Development Plan through the Corps Accreditation Working Group and coordination with RHQ RE SO1 People.
- Fund and administer the Professional Recognition Awards Scheme which offers higher level qualifications for Sappers above the rank of Corporal with the relevant qualifications, trade, command and management experience.
- Fund personal professional development via the Study Grant Scheme (formerly the Bursary Scheme).
- Provide direction and financial support for the continuation of the REVETT RE unit funds scheme.
- Work with internal and external organisations, agencies and staff who provide training, education and accreditation schemes to the Corps in order to maximise the efficiency of the Trust's work and optimise learning and qualification opportunities for all Sappers.

MAIN OBJECTIVES IN 2021

The Trust's main objectives during the reporting year were:

- Training:
 - Maintenance of existing qualifications schemes.
 - Continuation of Professional Recognition Award Scheme and REVETT's Study Grant Scheme.
 - Continuation of the RE MBA distance learning course in partnership with Anglia Ruskin University.
 - Maintenance of direct claim status with external awarding bodies.
- Projects:
 - Continue to develop the RE CPD website and expand the Charity's social media presence.
 - Maintain an outreach programme to inform RE units and individuals about what RE CPD offers.
 - Continue work with the Communications Hub in order to publicise REVETT's activities through RE publications and online platforms.

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

- Governance:
 - Provide assurance to the Chief Royal Engineer that the Charity conforms to all relevant legislation and rules. A Quinquennial Review was carried out in 2019.
 - Maintain close control by trustees over the Charity's spending to ensure best use of finance, including close cooperation with the fund manager to ensure that risk and reward profiles are properly balanced.
 - Trustees and the CE to review, manage and mitigate risk using the REVETT Risk Register.
 - Manage the partnership agreement with the University of Greenwich (provision of degrees for Clerks of Works and Military Plant Foremen).

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2021

The Trust's strategy for achieving its main objectives during the reporting year entailed:

- Continued employment of a team of appropriate size, configuration and competence to implement the Trust's policies and plans.
- Maintaining and enhancing a portfolio of qualifications for all Royal Engineers personnel.
- Production of an Operational plan and annual budget to meet Trustee objectives and Board priorities.
- Maintaining a policy of continuous improvement in respect of the management, administration and quality assurance of approved qualifications.
- The allocation of appropriate funding in support of the key activities required to meet objectives.
- A continued programme of outreach to units to advertise what benefits the Charity can offer.
- Ongoing Research and Development activity to provide new qualifications where required that best meet the needs of the Corps in line with Trustees direction.

DETAILS OF SIGNIFICANT ACTIVITIES IN 2021

Dealing with the impact of Covid-19 has continued to affect business: expansion of the qualification offer has not been possible in-year. For much of the year the operations team has been working to a hybrid pattern. Despite this, productivity has been good largely due to enhanced remote communications and our online outreach programme. Lt Col (Retired) Graeme Hannington is now CEO.

The Charity reviewed its governance procedures and is looking to rebalance the diversity of the membership of the cohort of trustees. A review of strategic aims and funding took place in 2019. This was revisited by the Board in March 2021 and the Trust is reviewing its medium-term aims and outputs.

Over the year and in the light of protracted staff absences due to illness, the Charity has reviewed its resilience measures to minimise potential single points of failure. This has seen many functions disaggregated from the chief executive and has placed greater responsibility upon trustees.

The Charity currently funds degrees for students undergoing training as Clerks of Works and Military Plant Foremen. The qualification underpins graduates' ability to practice as Incorporated Engineers (IEng). Costs have escalated to over £80K p.a. The basis of the degree has also risen to BEng (Hons). Trustees consider that this expense is not sustainable in the long term and a case has been raised to transfer the cost to the defence budget. It is the view of the Trustees that the requirement for IEng as a professional proof of competence is directly linked to a Defence requirement and therefore should fall to the MOD. Given the MOD budgetary cycles, such funding is unlikely to be approved until 2024 or 2025, so the Charity is making a contingency for a potential spend of c £80K per annum until this date. Alternate funding routes are also being explored.

REVETT output is linked, primarily, to providing and funding qualifications achieved by Royal Engineers (RE) during their trade training, normally between national levels 3 and 5. The table below shows the number and type of qualifications provided to members of the Corps during 2021, despite Covid-19.

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

Efforts to refresh, update and expand the range of qualifications offered to all ranks of the Royal Engineers continue to be frustrated due to issues within the Defence Awarding Organisation (DAO) based at Shrivenham. Their output remains limited due to lack of manpower. This has been exacerbated by Covid-19 restrictions and a significant IT problems at DAO. REVETT still awaits a number of qualifications originally developed in 2018 and 2019. The same challenges apply to other DAO Centres. The main qualifications affected are:

- A new ME H&P qualification for Royal Engineer 2-1 tradesmen at Level 3.
- A new Search qualification.
- Outboard Motor qualification.

Alternate routes for these qualifications are being developed, including standard apprenticeships.

DAO's 5 year review of REVETT qualifications has also been delayed and degraded by manpower shortages at DAO. This has been exacerbated by the inability of DAO, the defence awarding organisation, to interrogate the mandated MOD training IT systems. As a result 11 qualifications were suspended temporarily, but reinstated following two very successful external quality assessment (EQA) visits. These proved high levels of assurance of the people, systems and processes within the RSME Group. Work continues to support the DAO review of qualifications with a formal review of documentation commencing on 31 Jan 2022.

The Corps' Accreditation Matrix¹ shows military trades and corresponding civilian qualifications across all ranks of the Royal Engineers from Sapper to Warrant Officer. Where qualifications are not available to the Royal Engineer workforce, it is REVETT's remit to address the shortfall in accordance with Trustees' priorities.

The Trust operates the Royal Engineers Professional Recognition Awards (PRA) scheme under delegated authority from City & Guilds Institute (London). This offers a single progressive structure, Level 4 to Level 7 to corporals and above. The levels are competence-based and require evidence of the practical application of professional skills, knowledge and experience to provide a work-based route to higher level qualifications without a formal examination. Take-up rates for PRAs increased slightly (95 - up from 93 in 2020) and it is pleasing to see that a greater proportion of more junior Royal Engineers achieving these awards. An external audit of REVETT's delegated operation was conducted in Nov 20 by City & Guilds, who were very satisfied with the results. A further quality assurance visit from C&G is planned early in 2022.

The second flagship scheme operated by REVETT is the Study Grant scheme, formerly the Bursary Scheme. This funds individual members of the Corps who wish to undertake external programmes of study, typically for first or second degrees on a distance-learning basis, for all ranks of the Corps. The scheme also supports non-academic qualifications to encourage younger soldiers to start CPD early. 2021 saw a downturn in applications due to the lack of availability of courses due to COVID. 60 grants were awarded (cf 75 in 2020).

¹ The latest Accreditation Matrix is available on the RE CPD website: <https://re-cpd.org.uk/accreditation-matrix-2/>

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

The chart below shows total qualifications and awards made by REVETT during 2021:

REVETT - TOTAL QUALIFICATIONS AND AWARDS 2021

Course	National Level	Total
Bricklaying and Concreting	3	47
Bricklaying and Concreting	4	27
Building and Structural Finishing	3	36
Building and Structural Finishing	2	19
Carpentry and Joinery	2	48
Carpentry and Joinery	3	28
Construction Materials Technology	3	9
Construction Materials Technology	5	7
Design Draughtsman (Electrical)	3	15
Design Draughtsman (Mechanical)	3	8
Design Electrical and Mechanical	3	17
Design Electrical and Mechanical	5	0
Electrical Installations	3	72
Electrical Installations	4	33
Fabricator Welder (C&G)	3	27
Fitter ACR (C&G)	3	20
Engineering Maintenance –FTR E (C&G)	3	33
Engineering Maintenance – FTR U&P (C&G)	3	9
Plant Operator Mechanic	3	25
Plant Supervisor	4	20
Survey	3	16
Survey	5	12
Slinger/Banksman	2	3
RPL	5	4
Site Management Safety Tests	NA	93
Health & Safety Tests	NA	132
Electrical 18 th Edition	NA	8
Defence Explosive Munitions and Search School	3	207
Professional Management Qualifications	4 to 5	42
Abrasive Wheels	2	148
Clerks of Wks/MPF Foundation Degree	5 to 6	21
Study Grant (formerly Bursaries)	2 to 7	60
Professional Recognition Awards (City and Guilds)	4 to 7	95
	Total	1341

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

REVETT also support the Army Reserve with civilian qualifications, despite real constraints in terms of time to train and access to accredited Regular Army courses of instruction and their associated qualifications. In accordance with the Corps' Whole Life Development Plan (WLDP), the full range of CPD opportunities remain available to the Reserve: efforts continue to encourage participation. The PRA and Study Grant schemes continue to prove popular.

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

During 2021, despite COVID 19, learner achievements have remained impressive: REVETT enabled 48 different qualifications to the Workforce. There were 1,341 learners in year (2020: 1,374) and the achievement rate held constant at 94%. Highly impressive results have continued to be achieved by the Clerk of Works and Military Plant Foremen on their degree course, delivered in partnership with the University of Greenwich. It is of note that UoG/RSME candidates must achieve 60% or above, rather than 40% for a standard degree.

RSME and REVETT are subject to regular, detailed external evaluation visits (EQA, cf OFSTED) to ensure currency and quality of training and education. We continue to score highly at EQA these visits and are considered across the board, to be 'low risk', i.e. the highest grading. Direct Claim status is suspended for all qualifications across all DAO centres, pending the introduction of new Strategy for Centre Assessment Standards Scrutiny (CASS) requirements. C&G direct claim status was not affected. In terms of the overall learning experience, formal student external validation of REVETT's activities continue to be graded as Good or Outstanding.

The Royal Engineers Continuous Personal Development website, www.re-cpd.org.uk provides a valuable resource for the global Royal Engineer (RE) workforce: visitor numbers rose 15% in year. The website offers a useful portal for information on REVETT activities and is linked into the broader Royal Engineer sites. It has proved to be particularly useful as a means of directing the RE Workforce to the Professional Recognition Awards and Study Grant schemes. All relevant RE CPD forms and handbooks are held there. The website also features blogs linked to major RE social media platforms. Work has started to investigate improved synergies with other RE websites, data platforms and service providers.

INVESTMENT PERFORMANCE

The challenge target for the investment fund is an annual return of £400,000 plus RPI, net of fees. 2021 was an extraordinary year: overall, the Fund grew 6.5% over each of 5 preceding years and by >12% in year: it now stands at £7.1m (up 0.2m). The market performance is assessed to have been strengthened by Quantitative Easing but the forecast for 2022/23 is less positive, as inflation is forecast to come into play.

Trustees assess that the Trust has reserves sufficient to enable current levels of operations for the medium-to-long term (at least 10 years). Funds will be stronger still if and when the liability for funding for Clerks of Work's professional qualification requirement (foundation degree/Dip HE) transfers to the MOD (expected 2024-2025).

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

FINANCIAL REVIEW

GENERAL

Expenditure before other recognised gains and losses was £281,355 (2020: £226,790). No additional funds were passed to the Fund Manager for investment in 2021 (2020: £Nil). Gains on investments amounted to £654,188 (2020: losses of £265,488).

BALANCE SHEET

Accumulated funds increased by £372,833 to £7,288,532 (2020: decreased by £492,278 to £6,915,699)

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 Investment Managers, within the parameters of overall guidance by the Trustees.

INVESTMENT HOUSE & POLICY

The REVETT investment continues to be managed by Sanlam Private Wealth Limited in a portfolio with a risk level 5 of 7, with Trustee authority to move to level 6. The objective of the Fund is unchanged and seeks primarily to achieve capital growth with some requirements for income whilst seeking a balance between safety and investment growth potential.

RESERVE POLICY (CAPITAL)

Trustees have stated that they a duty to honour qualifications for a period greater than 5 years, to a rolling horizon of 20 years. Un-restricted capital reserves total £7,288,532 (2020: £6,915,699) with no external income streams. Trustees assess that they have funds and investments to protect qualifications for 10-15 years and to fund the planned excess of expenditure over income 2022–2026. Trustees monitor capital, reserves and investments at each board meeting and are seeking new income streams.

GRANT MAKING POLICIES

Grants are considered by the Trust in line with the Trust deed and are duly recorded.

REVIEW OF PRINCIPAL FUNDING SOURCES

REVETT's principal source of funding in 2021 income was from its investments.

PLANS FOR THE FUTURE

The Trust intends to:

- Continue the operation and funding of its core business: the provision of appropriate qualifications for RE personnel.
- Seek opportunities to improve the range and quality of the qualifications portfolio.
- Continue and develop partnership arrangements with selected Universities.
- Promote and support continuous personal development throughout the Corps.
- Continue to identify and develop opportunities to improve the financial position of the Trust.

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

COVID-19 IMPACT STATEMENT

Trustees are aware of their responsibility to consider, as far as possible with the information available to them, the impact of the COVID-19 pandemic and its effect on the global economic climate, on all aspects of the Charity's financial and narrative reporting.

Trustees again confirm that all representations made in this report include due consideration of these factors. In particular this includes, but is not limited to, the following:

- Appropriate disclosure has been included in the Charity's narrative reporting regarding the impact of COVID-19 on the Charity's performance during the period, Trustees assessment of principal risks and uncertainties and the future of the Charity.
- The financial statements reflect the conditions which existed at the reporting date, to the extent that the spread of COVID-19 was known, together with its impact on the global economic climate. The effect of material non-adjusting events subsequent to the reporting date has been disclosed in the financial statements.
- Trustees have considered whether the Charity's tangible fixed assets have been impaired due to COVID-19. Trustees have also considered whether their estimate of useful economic lives remains appropriate. Trustee consideration has included a review of the current market value of those assets and their future economic performance.
- Trustees have considered whether the net realisable value of stock has been affected by COVID-19.
- At the reporting date, any additional liabilities arising as a result of COVID-19 have been recognised.

Following review, Trustees believe they continue to follow the principles of the Charity Governance Code and confirm the following:

- COVID-19 did not affect the Charity's payments to HMRC.
- The Charity did not apply for any Government grants.
- The Charity operates a Defined Contribution Pension Scheme and all employees continued to be fully paid. There was no impact on the scheme (less the impact on investments made by the pension provider) or pension deficit.
- The Charity does not have any loans therefore financing or refinancing is not affected.
- No physical checks (financial or stocktake) were replaced by virtual checks.
- COVID-19 had not impacted on the Charity's reserves or governance (internal controls) and had a limited, predictable, effect on achievements. Trustees assess that this does not impact or hinder the Charity's future plans.
- Investments suffered initially in a volatile market but recovered well in a remarkably buoyant market.
- Financial staff have reviewed accounting policies, recognising legacy income, to ensure that policy remains appropriate in.

All grant commitments were met without postponement.

ACTIVITY REPORTING

Allocation of staff time to principal objectives and routine governance is based on the percentage individual staff members contribute to each objective or governance.

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

PUBLIC BENEFIT

In addition to promoting the efficiency of the Army and, in particular, Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational educational and training schemes, the work of REVETT benefits the public by:

- Ensuring that RE personnel are qualified for civilian employment on discharge, thereby making them more likely to be productive, self-sufficient citizens in civilian life.
- Making enlistment into the Corps more attractive, thereby supporting recruitment.
- Making extended service in the Corps more attractive by providing qualification progression routes, thereby supporting retention.

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

At the beginning of 2013 the then governing document was made up of three components: the Declaration of Trust dated 3 December 1997, the First Deed of Amendment in 2007, and the Second Deed of Amendment in 2011. The decision was taken during the year to consolidate their provisions into a single document, with the aim of improving clarity. This resulted in the Deed of Constitution and Amendment which came into effect in August 2013, and became the governing document. Another Deed of Amendment was produced in 2015 (17 November 2015) leading to the 2016 Consolidating Trust Deed which is the current governing document.

APPOINTMENT OF TRUSTEES

The Deed of Constitution and Amendment referred to above provides for a maximum of 7 ex-officio Trustees and a maximum of 3 co-opted. The latter are now appointed for a period of twelve months by a resolution of the Trustees passed at a special meeting. Co-opted Trustees may be re-appointed by the same process. The Trustees who served during the year are detailed on page 8. As mentioned earlier in this report, the trustees are being changed to bring greater diversity to the Board and to increase the expertise in higher education.

TRUSTEE INDUCTION AND TRAINING

New Trustees are briefed on their role and responsibilities and advised to study the guidance provided by the Charity Commission website. All new Trustees, where possible, attend a trustee training course within 6 months of appointment and refresher training every 3 years.

ORGANISATIONAL STRUCTURE AND NETWORKS

To enable the Trust to achieve its objects, it employs a small operations team to:

- Develop and maintain appropriate policies and procedures.
- Conduct, promote, update and report on operations.
- Identify, develop, implement, maintain and improve accreditation opportunities for Royal Engineers.

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

Although autonomous, the Trustees and their employees collaborate closely with various organisations, including:

- The Royal School of Military Engineering (RSME) and other establishments training Royal Engineers.
- The Public Private Partnership (PPP) contractors to the RSME, known as Holdfast.
- Other Trusts and organisations supporting education and work-based learning for the Army.
- Sector Skills Councils (SSC) responsible for specifying national competency standards in particular occupations.
- Awarding Organisations (AO), including DAO.

RISK MANAGEMENT STATEMENT

The Trustees monitor the major risks to which the Charity is exposed and a strategic review of risks was conducted in 2021. Trustees regularly review the risk register and are satisfied that systems have been established to manage risks identified.

The 2 key risks identified remain constant. These have been elevated to the Chief Royal's Board level were identified as:

- **Operational Risk.** A failure to conclude vocational qualification programmes, initiated by either REVETT or other providers, for Corps personnel. This risk is being mitigated through the close monitoring (by the CE) of successful completion rates and promoting awareness of the track record and success rates throughout the Corps. It is further mitigated by ensuring robust and effective monitoring is in place, with regular feedback, from all external providers.
- **Financial Risk.** A failure to generate sufficient returns from investments and/or failure to generate income from other activities to fund REVETT's annual activities. In 2016 REVETT transferred its investment portfolio to a different investment manager to generate a better return. The REVETT Board will also undertake rigorous consideration of new income generation activities.

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 Charity and its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

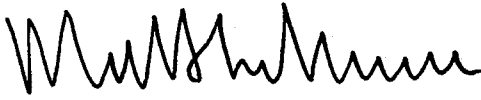
- select suitable accounting policies then apply them consistently
- observe the methods and principles of the Charities SORP (FRS 102) (2019)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject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

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 & 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.

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2021

Approved by the Trustees and signed on behalf of the Trustees



Colonel M Quare MBE ADC
Trustee

14th June 2022

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2021

Trustees

APPOINTMENT	NAME	APPOINTED	RESIGNED
Comdt RSME Gp	Brig P J Rowell MBE	September 2019	
Corps Col	Col M Quare MBE ADC	September 2017	
Corps Col (Reserves)	Col A J G Ryan TD	November 2019	
DComd 25 Engr Gp	Lt Col C W Battey	February 2020	
DComd 8 Engr Bde	Col A D Bellingall MBE Col H T S Ricketts OBE	October 2015 September 2021	September 2021
COS HQ RSME	Lt Col R J MacDonald	January 2019	December 2021
RE Corps Sergeant Major	WO1 (Corps SM) P Clark WO1 (Corps SM) M Elliott MBE	December 2018 September 2021	August 2021
Industry Independent	Mr N Goldie-Scot	December 2018	
Education Independent	Mr S Cook	January 2016	

Co-opted

Treasurer	Maj (Retd) I Sidebottom	September 2013
Chief Executive	Lt Col (Retd) G J Hannington	December 2020

Charity registered number

1068709

Principal office

Headquarters Royal School of Military Engineering
Brompton Barracks
Chatham
Kent
ME4 4UG

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the Charity, its Trustees and Advisers For the year ended 31 December 2021

Independent auditor

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

Bankers

Lloyds plc
Cox's & King's Branch
PO Box 1000
London
BX1 1LT

Solicitors

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

Investment House

Sanlam Private Wealth Limited
Exchange Building
St. John's Street
Chichester
West Sussex
PO19 1UP

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust

We have audited the financial statements of Royal Engineers Vocational Education and Training Trust (the 'charity') for the year ended 31 December 2021 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 2021 and of its income and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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:

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

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.

Royal Engineers Vocational Education and Training Trust

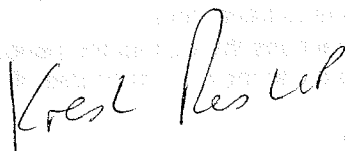
Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 27 June 2022

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

Royal Engineers Vocational Education and Training Trust

Statement of financial activities
For the year ended 31 December 2021

		Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	34,191	23,470	57,661	54,820
Investments	6	197,747	-	197,747	172,938
Total income		231,938	23,470	255,408	227,758
Expenditure on:					
Charitable activities	7	511,270	25,493	536,763	454,548
Total expenditure		511,270	25,493	536,763	454,548
Net expenditure before revaluations		(279,332)	(2,023)	(281,355)	(226,790)
Net gains/(losses) on investments		654,188	-	654,188	(265,488)
Net movement in funds for the year		374,856	(2,023)	372,833	(492,278)
Transfers between funds	18	(2,023)	2,023	-	-
Reconciliation of funds					
Total funds at 1 January 2021		6,915,699	-	6,915,699	7,407,977
Total funds at 31 December 2021		7,288,532	-	7,288,532	6,915,699

All activities relate to continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

Balance sheet
As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	14		3,032		3,248
Investments	15		7,177,149		6,845,306
			<u>7,180,181</u>		<u>6,848,554</u>
Current assets					
Debtors	16	2,057		11,242	
Cash at bank		158,079		139,459	
			<u>160,136</u>	<u>150,701</u>	
Creditors: amounts falling due within one year	17	(51,785)		(83,556)	
Net current assets			<u>108,351</u>		<u>67,145</u>
Net assets			<u>7,288,532</u>		<u>6,915,699</u>
Charity Funds					
Restricted funds	18		-		-
Unrestricted funds	18		7,288,532		6,915,699
Total funds			<u>7,288,532</u>		<u>6,915,699</u>

The financial statements were approved by the Trustees on 14th June 2022 and signed on their behalf, by:



Brigadier P J Rowell MBE
Trustee and Chair



Colonel M Quare MBE ADC
Trustee

The notes on pages 18 to 30 form part of these financial statements.

Royal Engineers Vocational Education and Training Trust

Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021	2020
		£	£
Net cash used in operating activities	22	<u>(166,006)</u>	<u>(720,332)</u>
Cash flows from investing activities			
Interest and dividends		197,747	172,938
Purchase of tangible fixed assets		(1,118)	(2,121)
Proceeds from sale of tangible fixed assets		-	-
Proceeds from sale of investments		3,579,385	6,906,308
Purchase of investments		(3,591,388)	(6,514,278)
Cash provided by (used in) investing activities		<u>184,626</u>	<u>562,847</u>
Increase (decrease) in cash and cash equivalents in the year		<u>18,620</u>	<u>(157,485)</u>
Cash and cash equivalents at the beginning of the year		139,459	296,944
Total cash and cash equivalents at the end of the year		<u>158,079</u>	<u>139,459</u>

Analysis of changes in net debt

	At 31 Jan 2021	Cashflows	At 31 Dec 2021
	£	£	£
Cash and cash equivalents			
Cash	139,459	18,620	158,079

**Notes to the financial statements
For the year ended 31 December 2021**

1 General Administrative Information

Royal Engineers Vocational Education and Training Trust is an unincorporated charity in England and Wales with the charity registration number 1068709. The address of the registered office is Headquarters Royal Engineers, Ravelin Building, Brompton Barracks, Chatham, Kent, ME4 4UG. The charity's principal objectives continue to be to promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively through involvement in nationally recognised vocational education and training schemes.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP(FRS102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Royal Engineers Vocational Education and Training 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).

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

Unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

The Army Apprenticeship Fund grant can only be used to fund the civilian contractor to migrate the RE Apprenticeship Programme onto the new standards.

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

2.4 Income

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

**Notes to the financial statements
For the year ended 31 December 2021**

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust 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 objectives of the trust and are always authorised by the trustees.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 7.

2.6 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Depreciation is provided to write off the cost, less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation used are as follows:

Computer and office equipment	-	10 - 20% per annum on cost
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2.7 Investments

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

2.8 Debtors

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

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 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.

Notes to the financial statements
For the year ended 31 December 2021

2 Accounting policies (continued)

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.

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

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.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000 - three recorded phone quotations
- b. Between £5,000 and £10,000 - three written quotations from suppliers
- c. Over £10,000 - internal tender board selection from written quotations

Notes to the financial statements
For the year ended 31 December 2021

3 Donations and Legacies

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note				
Grants	4	-	23,470	23,470	23,470
Donated services and facilities	5	34,191	-	34,191	31,350
		34,191	23,470	57,661	54,820

All of the donations and legacies income was unrestricted in 2021 and 2020.

4 Grants

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Army Apprenticeship Fund	23,470	23,470	23,470
REA Grant	-	-	-
	23,470	23,470	23,470

In 2021 all of the grant income was restricted (2020: all of the grant income was restricted).

5 Donated services and facilities

	Total funds 2021 £	Total funds 2020 £
Administrative salaries	34,191	31,350

Notes to the financial statements
For the year ended 31 December 2021

6 Investment Income

	Total funds 2021 £	Total funds 2020 £
Dividends	197,716	172,849
Bank interest	31	89
	197,747	172,938

All of the investment income was unrestricted in 2021 and 2020.

7 Analysis of expenditure on Charitable activities

	Note	Direct costs 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Training	8	113,239	99,388	212,627	203,860
Development programme	9		119,524	119,524	126,152
Registration and certification fees	10	165,009	-	165,009	90,715
Health & safety testing		986	-	986	735
Tuition costs	11	-	18,555	18,555	16,974
Investment management fees		20,062	-	20,062	16,112
		299,296	237,467	536,763	454,548

Expenditure on charitable activities was £536,763 (2020: £454,548) of which £511,270 was unrestricted (2020: £429,335) and £25,493 was restricted (2020: £25,213).

Notes to the financial statements
For the year ended 31 December 2021

8 Training

	Total Funds 2021	Total Funds 2020
	£	£

Direct Costs

Continuous personal development	103,227	100,125
Professional Recognition Award	7,240	8,889
Training Development Programme	2,772	1,024
Continuous personal development	-	(9,032)
	113,239	101,006

Support costs

Depreciation of fixed assets	1,334	1,111
Marketing & website	-	198
Legal and professional fees	-	708
Insurance	467	503
IT support & equipment	2,321	1,043
Stationery	200	111
Postage and telephone	104	162
Photocopier	291	258
Bank charges	1	20
Travel and subsistence	472	460
Miscellaneous costs	42	123
Hospitality	46	113
Staff costs	82,713	87,594
Donated services and facilities - admin salaries	11,397	10,450
	99,388	102,854
	212,627	203,860

Notes to the financial statements
For the year ended 31 December 2021

9 Development programme	Unrestricted funds 2021	Restricted funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Direct costs				
Training Development Programme	-	25,493	25,493	25,213
	-	25,493	25,493	25,213
Support costs				
Marketing & website	-	-	-	203
Insurance	482	-	482	517
IT support & equipment	2,391	-	2,391	1,075
Stationery	207	-	207	115
Postage and telephone	107	-	107	167
Subscriptions	249	-	249	249
Photocopier	300	-	300	266
Bank charges	1	-	1	20
Travel and subsistence	487	-	487	475
Miscellaneous costs	43	-	43	126
Hospitality	47	-	47	117
Communications Hub grant	26,200	-	26,200	26,250
Staff costs	52,120	-	52,120	60,909
Donated services and facilities - admin salaries	11,397	-	11,397	10,450
	94,031	-	94,031	100,939
	94,031	25,493	119,524	126,152

10 Registration and certification fees

	2021 £	2020 £
Direct costs		
Registration	141,638	68,789
Certification	23,371	21,927
	165,009	90,716

Notes to the financial statements
For the year ended 31 December 2021

11 Tuition costs	Total Funds 2021	Total Funds 2020
	£	£
Support costs		
Audit fee	3,179	3,498
Marketing & website	-	198
Insurance	467	503
IT support & equipment	2,321	1,043
Stationery	200	111
Postage and telephone	104	162
Photocopier	291	258
Fees and Licences	35	35
Bank charges	1	20
Travel and subsistence	472	460
Miscellaneous costs	42	123
Hospitality	46	113
Donated services and facilities - admin salaries	11,397	10,450
	18,555	16,974

12 Net income / (expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,334	1,111
Auditor's remuneration	3,179	3,498

During the year, no Trustees received any remuneration (2020: £NIL).

During the year, no Trustees received any benefits in kind (2020: £NIL).

During the year, no Trustees received any reimbursement of expenses (2020: £NIL).

Notes to the financial statements
For the year ended 31 December 2021

13 Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	118,645	130,638
Social security costs	6,963	8,671
Other pension costs	9,226	9,194
	<u>134,834</u>	<u>148,503</u>

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

	2021 No.	2020 No.
Direct charitable employment	4	4
Management and administration of the charity	3	3
	<u>7</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.
 The total employment benefits including employer pension contributions of the key management personnel were £45,238 (2020: £62,993).

Notes to the financial statements
For the year ended 31 December 2021

	Computer and Office Equipment
14 Tangible fixed assets	
Cost	£
At 1 January 2021	
Additions	23,910
Disposals	1,118
	-
At 31 December 2021	<u>25,028</u>
Depreciation	
At 1 January 2021	
Charge for the year	20,662
On disposals	1,334
	-
At 31 December 2021	<u>21,996</u>
Net book value	
At 31 December 2021	<u>3,032</u>
At 31 December 2020	<u>3,248</u>

15 Fixed asset investments

	Listed securities £
Market value	
At 1 January 2021	
Additions	6,845,306
Revaluations	3,591,388
Disposals	319,840
	(3,579,385)
At 31 December 2021	<u>7,177,149</u>
Historical cost	6,597,682

Investments at market value comprise:

	2021 £	2020 £
Listed investments	<u>7,177,149</u>	<u>6,845,306</u>

Assets are held and managed by SANLAM Investment Managers

Notes to the financial statements
For the year ended 31 December 2021

16 Debtors

	2021 £	2020 £
Trade debtors	1,969	-
Other debtors	88	11,242
	<u>2,057</u>	<u>11,242</u>

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,826	5,071
Accruals and deferred income	45,959	78,485
	<u>51,785</u>	<u>83,556</u>

18 Statement of funds

Current year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted income fund	6,915,699	231,938	(511,270)	(2,023)	654,188	7,288,532
Restricted funds						
Army Apprenticeship Fund	-	23,470	(25,493)	2,023	-	-
Total of funds	<u>6,915,699</u>	<u>255,408</u>	<u>(536,763)</u>	<u>-</u>	<u>654,188</u>	<u>7,288,532</u>
Prior year						
Unrestricted funds						
Unrestricted income fund	7,407,977	204,288	(429,335)	(1,743)	(265,488)	6,915,699
Restricted funds						
Army Apprenticeship Fund	-	23,470	(25,213)	1,743	-	-
Total of funds	<u>7,407,977</u>	<u>227,758</u>	<u>(454,548)</u>	<u>-</u>	<u>(265,488)</u>	<u>6,915,699</u>

Royal Engineers Vocational Education and Training Trust

Notes to the financial statements For the year ended 31 December 2021

19 Analysis of net assets between funds

Current year	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,032	-	3,032
Fixed asset investments	7,177,149	-	7,177,149
Current assets	160,136	-	160,136
Creditors due within one year	(51,785)	-	(51,785)
	<u>7,288,532</u>	<u>-</u>	<u>7,288,532</u>

Prior year	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,248	-	3,248
Fixed asset investments	6,845,306	-	6,845,306
Current assets	150,701	-	150,701
Creditors due within one year	(83,556)	-	(83,556)
	<u>6,915,699</u>	<u>-</u>	<u>6,915,699</u>

20 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 £9,226 (2020: £9,194).

Notes to the financial statements
For the year ended 31 December 2021

21 Related party transactions

All funds received and expended are in respect of providing education and training to military and civilian staff in Royal Engineer units. Further details are provided in the Trustees' Annual Report.

The Trustees control the Trust.

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

	Total funds 2021	Total funds 2020
	£	£
Net movement in funds	372,833	(492,278)
Add back depreciation charge	1,334	1,111
Deduct interest income shown in investing activities	(197,747)	(172,938)
Deduct gains / add back losses on investments	(319,840)	(106,572)
Decrease (increase) in debtors	9,185	14,883
Increase (decrease) in creditors	(31,771)	35,462
Net cash used in operating activities	<u>(166,006)</u>	<u>(720,332)</u>

ROYAL ENGINEERS VOCATIONAL EDUCATION AND TRAINING TRUST

England & Wales - Charity number 1068709

Accounts

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2020

Royal Engineers Vocational Education and Training Trust

Contents

	Page
Trustee's report	1 – 8
Reference and administrative details of the charity, its trustees and advisers	9 - 10
Independent auditor's report	11 – 14
Statement of financial activities	15
Charity balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 30

Royal Engineers Vocational Education and Training Trust

Trustee's Report for the year ended 31 December 2020

The Trustees present their annual report and the audited financial statements of the charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out at note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate and there are no material uncertainties.

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

"To promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational education and training schemes".

EXPLANATION OF AIMS

The aims of the Trust are to:

Ensure that the currency of the existing qualifications portfolio is maintained. This is to include engagement with external delivery organisations where syllabus modifications force changes.

Ensure that the existing qualifications portfolio is delivered effectively and efficiently, and to standards required by the awarding organisations concerned.

Develop the scope of the qualifications portfolio to the fullest extent possible in order to maximise RE trade professionalism.

Inform and influence the Corps Whole Development Plan through the Corps Accreditation Working Group and coordination with RHQ RE SO1 People.

Fund and administer the Professional Recognition Awards Scheme which offers higher level qualifications to all Sappers above the rank of Corporal with the relevant trade, command and management experience and qualifications.

Fund personal professional development via the Bursary/Study Grant Scheme.

Provide direction and financial support for the continuation of the REVETT RE unit funds scheme.

Work with internal and external organisations, agencies and staff who provide training, education and accreditation schemes to the Corps in order to maximise the efficiency of the Trust's work and optimise learning and qualification opportunities for all Sappers.

MAIN OBJECTIVES IN 2020

The Trust's main objectives during the reporting year were:

- Training:
 - o Maintenance and, where possible, expansion of existing qualifications schemes.
 - o Continuation of Professional Recognition Award Scheme and REVETT's Bursary/Study Grant Scheme.
 - o Continuation of the RE MBA distance learning course in partnership with Anglia Ruskin University.
 - o Maintain direct claim status with external awarding bodies for all qualifications offered.
- Projects:
 - o Further enhance the RE CPD website and expand the charity's social media presence.
 - o Maintain an outreach programme to inform RE units and individuals about what RE CPD offers.
 - o Continue to leverage Comms hub expertise in order to publicise REVETT's activities through RE publications and online platforms.

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued) for the year ended 31 December 2020

- Governance:
 - o Provide assurance to the Chief Royal that the charity conforms to all existing charity legislation and rules. The Quinquennial Review was carried out in 2019.
 - o Maintain control over the charity's spending to ensure best use is made of scarce resources;
 - o Work closely with the fund manager to ensure that risk and reward profiles are properly balanced.
 - o Maintain the RE CPD Risk Register in accordance with Trustee direction.
 - o Management of the partnership agreement with the University of Greenwich (Provision of Foundation Degree to Clerk of Works and Military Plant Foremen).

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2020

The Trust's strategy for achieving its main objectives during the reporting year were:

1. Continued employment of a team of appropriate size, configuration and competence to implement the Trust's policies and plans.
2. Maintaining and enhancing a portfolio of qualifications for all Royal Engineers personnel.
3. Production of an Operational plan and annual budget to meet Trustee objectives and Board priorities.
4. Maintaining a policy of continuous improvement in respect of the management, administration and quality assurance of approved qualifications.
5. The allocation of appropriate funding in support of the key activities required to meet objectives.
6. A continued programme of outreach to units to advertise what benefits the charity can offer.
7. Ongoing Research and Development activity to provide new qualifications where required that best meet the needs of the Corps in line with Trustees direction.

DETAILS OF SIGNIFICANT ACTIVITIES IN 2020

Dealing with the impact of Covid-19 has dominated the year and has clearly provided major challenges for everybody, including the Corps and the charity. For much of the year the team has been working remotely and with limited presence in the office, but despite these limitations, productivity has been good. The year has also ended with a change of CEO. After 6 years in post and a total of 40 years supporting the Corps, Lt Col (Retired) Mark Thomas has handed authority over to Lt Col (Retired) Graeme Hannington.

Unfortunately, efforts to update and expand the range of qualifications offered to all ranks of the Royal Engineers have continued to be frustrated due to ongoing issues within the Defence Awarding Organisation (DAO) based at Shrivenham. Their output remains limited due to manpower resourcing issues (since 2019) and this has restricted the number of qualifications they have been able to approve, together with Covid-19 restrictions hampering their output. For REVETT, this has resulted in a number of qualifications originally developed in 2018 and 2019 for the benefit of our soldiers, which are still awaiting DAO approval action. The same challenges apply to other DAO Centres like ourselves, but for these reasons it has continued to be a frustrating time. In many respects, the DAO has become a victim of its own success and we can only hope that they return to full output in the near future as there is always more work to be done for the benefit of our members. The main qualifications affected by the delay are the following:

- A new ME H&P qualification for our 2-1 tradesmen at Level 3.
- A new Search qualification.
- Outboard Motor qualification.

The bulk of our output is linked to the qualifications achieved by Royal Engineers during their trade training at either 0-2 or the more advanced 2-1 levels. The table below shows, the number and type of qualifications the charity provided to members of the Corps during 2020, despite the enormous challenge of Covid-19.

Further work has taken place to keep the Corps' Accreditation Matrix document up to date, which is a spreadsheet that shows military trades and corresponding civilian qualifications currently available across all ranks of the Royal Engineers from Sapper to Warrant Officer. Over the last 3 years this has proved to be a most useful tool to show not only what civilian qualifications are currently available, but it also highlights gaps in terms of qualification provision across all Royal Engineer trades. Where gaps have been identified in terms of a lack of suitable qualification(s), it is REVETT's remit to address the shortfall in accordance with the Trustees priorities. The latest version is always available on the RE CPD website for reference.

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued) for the year ended 31 December 2020

The Royal Engineers Professional Recognition Awards (PRA) scheme is operated by the Trust under delegated authority from City & Guilds. This scheme offers a single progressive structure of 4 levels which are competence based and require the practical application of professional skills, knowledge and understanding of employment in order to provide a work-based route to higher level qualifications without the need to sit an examination. Take-up rates for the PRA remain strong with a greater number of more junior soldiers applying. An external audit of the way that scheme was run was conducted in Nov 20 by City & Guilds, who were very satisfied with the results they found. The second flagship scheme operated by REVETT is the Bursary/Study Grant scheme, which provides funding to individual members of the Corps who wish to undertake external programmes of study, typically for first or second degrees on a distance learning basis. The scheme was expanded in 2018 to include all ranks of the Corps, not just NCOs and Officers and provides support for non-academic qualifications in addition. In this way, the charity is seeking to incentivise younger members of the Corps to start their CPD journey at the earliest opportunity. We would therefore hope to see the total number of Bursaries continue to increase in future years. Annual applications continue to rise year on year and last years' total of 53 has been greatly improved upon in 2020 where the final figure achieved was 75. The chart below shows total qualifications and awards made by REVETT during 2020

REVETT - TOTAL QUALIFICATIONS AND AWARDS 2020

Course	Level	Total
Bricklaying and Concreting	0-2	47
Bricklaying and Concreting	2-1	16
Building and Structural Finishing	0-2	44
Building and Structural Finishing	2-1	19
Carpentry and Joinery	0-2	48
Carpentry and Joinery	2-1	29
Construction Materials Technology	0-2	10
Construction Materials Technology	2-1	5
Design Draughtsman	0-2	15
Design Draughtsman	2-1	8
Design Electrical and Mechanical	0-2	13
Design Electrical and Mechanical	2-1	8
Electrical Installations	0-2	72
Electrical Installations	2-1	33
Fabricator Welder	2-1	24
Fitter ACR	0-2	11
Engineering Maintenance –FTR E	2-1	26
Engineering Maintenance – FTR U&P	2-1	8
Plant Operating Mechanic	2-1	24
Plant Supervisor	2-1	9
Survey	0-2	10
Survey	2-1	11
Slinger/Banksman		4
RPL'S		2
SMSTS		93
H&S Tests		153
18 th Edition		0
DEMS		247
PMQ		42
ABRASIVE WHEELS		149
Clerks of Wks/MPF Fdn Degree		26
Bursary/Study Grant		75
Professional Recognition Awards		93
Total		1374

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued) for the year ended 31 December 2020

REVETT continues to be committed to supporting the Reserve with civilian qualifications where this can be achieved, given the real constraints they face in terms of time to train and access to Regular Army courses of instruction. In accordance with the Corps' Whole Life Development Plan (WLDP), the full range of CPD opportunities remain available to the Reserve and efforts continue to encourage their participation. For example, both the PRA and Bursary schemes previously mentioned can be accessed by Reservists.

The Trust has robust financial reserves which would enable it to continue operating at current levels for the medium to long term (at least 15 years). Thesis Asset Management (Now re-titled as Sanlam Private Wealth) have run the charity's investment portfolio since 2015 and details of their performance during 2020 are set out below. The Trustees retain full confidence in the ability of Thesis to meet the charity's demanding annual target, despite ongoing market sensitivity to a range of political, health and economic factors.

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

During the course of 2020, overall performance in terms of learner achievements has remained excellent, despite the inevitable difficulties posed by the coronavirus. The number of learners over the year was 1374 (2019: 1,605), and the achievement rate for those who completed their courses during this period was 94% (2019: 96%). The difference in totals receiving qualifications (around 230) was due to larger than normal cohorts of RE Electricians being trained to new 18th edition standard in 2019. REVETT provided a total of 48 different qualifications to members of the Corps and highly impressive results have continued to be achieved by the Clerk of Works and Military Plant Foremen on their Foundation Degree course delivered in partnership with the University of Greenwich. However, this qualification costs the charity in excess of £50,000 per annum and attempts are being made to transfer funding responsibility to the MOD in 2021 having been set up and established by the charity. The RSME and REVETT are both subject to regular and detailed external evaluation visits (like OFSTED inspections for schools) which look at the currency and quality of the trade training that takes place at Chatham. We continue to score highly at these assessment visits and are considered across the board, to be 'low risk', which is the highest grading. Direct Claim status has been maintained for all qualifications on offer, which is an impressive result for the team. In terms of the overall learning experience, formal student external validation of REVETT's activities continue to be graded as either Good or Outstanding.

Work has continued to further enhance and develop the utility of the Royal Engineers Continuous Personal Development website, www.re-cpd.org.uk. This site provides a valuable resource for all Royal Engineer personnel serving at home and overseas and its visitor numbers continue to grow. The website offers a useful resource for the provision of information on all REVETT activities and is linked into the broader Royal Engineer sites. It has proved to be particularly useful as a means of directing Royal Engineers to the Professional Recognition Awards Scheme and to the Bursary/Study Grant Scheme. All the relevant forms and handbooks are held there. The website also features a weekly blog (which also links to the Corps' major social media platforms) which aims to update individuals on the latest developments in the RE CPD arena.

INVESTMENT PERFORMANCE

The challenging annual target set for the investment is an annual return of £400,000 + RPI net of fees. 2020 was an extraordinary year for both society as a whole and financial markets specifically. The first quarter saw the Covid-19 virus develop from a local issue in China into a global pandemic within a matter of weeks. This caught markets off-guard, and led to a period of intense turbulence at the end of March and into April in particular. Since that point markets have taken an optimistic view as to the ability of economies to recover and this manifested itself in very substantial rebounds for many financial markets. Within this an extremely narrow focus developed later in the year in a very small number of stocks: primarily US technology-related businesses. The scale of this was unprecedented, the result being that for most investors 2020 performance was driven as much by what they did not own as what they did. For the REVETT / Sanlam portfolio specifically the year as a whole was disappointing; this trend being a major contributor to underperformance. Despite a strong recovery in the second half of the year, the portfolio as a whole delivered a return of -1.97% which now leaves it a little behind the inflation-linked target as prescribed by the Investment Policy Statement.

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued)
for the year ended 31 December 2020

FINANCIAL REVIEW

GENERAL

Expenditure before other recognised gains and losses was £226,790 (2019: £221,868). No additional funds were passed to the Fund Manager for investment in 2020 (2019: £Nil). Losses on investments amounted to £265,488 (2019: gains of £920,079).

BALANCE SHEET

The accumulated funds decreased by £492,278 to £6,915,699 (2019: increased by £698,211 to £7,407,977).

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 Thesis Investment Managers, within the parameters of overall guidance by the Trustees.

INVESTMENT HOUSE & POLICY

The REVETT investment continues to be managed by Sanlam Private Wealth Limited in a portfolio level 5 of 7, in regard to risk and objective, with Trustee authority to move to level 6 if deemed appropriate. The Objective of the Fund is unchanged (since being acquired from Thesis Asset Management) and seeks primarily to achieve capital growth with some requirements for income whilst seeking a balance between safety and investment growth potential.

RESERVES POLICY

Unrestricted reserves currently total £6,915,699 (2019: £7,407,977). Trustees believe they have a duty to honour training for a period of 5 years. Past Government funding income streams have ceased. Trustees have sufficient reserves to cover their excess of planned expenditure over income during 2021 – 2025 and will seek new income streams during this period. Trustees will continue to monitor their level of reserves and review their reserve policy in 2021 as part of their formal strategy review.

GRANT MAKING POLICIES

Grants are considered on a collective Trustee basis in line with the Trust deed and are duly minuted.

REVIEW OF PRINCIPAL FUNDING SOURCES

The only income received in 2020 was from investments and a grant from the Army Apprenticeship Fund.

PLANS FOR THE FUTURE

The Trust intends to:

- Continue the operation and funding of its core business: the provision of appropriate qualifications for Royal Engineer personnel;
- Seek opportunities to improve the range and/or quality of the residual qualifications portfolio;
- Continue the current partnership arrangement with selected Universities;
- Promote and support continuous personal development throughout the Corps;
- Continue to identify and exploit opportunities to improve the financial position of the Trust.

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued) for the year ended 31 December 2020

COVID-19 Impact Statement

Trustees are aware of their responsibility to consider, as far as possible with the information available to them, the impact of the COVID-19 pandemic and its effect on the global economic climate, on all aspects of the charity's financial and narrative reporting.

Trustees confirm that all representations made in this report include due consideration of these factors. In particular this included, but is not limited to, the following:

- Appropriate disclosure has been included in the charity's narrative reporting regarding the impact of COVID-19 on the charity's performance during the period, Trustees assessment of principal risks and uncertainties and the future of the charity;
- The financial statements reflect the conditions which existed at the reporting date, to the extent that the spread of COVID-19 was known, together with its impact on the global economic climate. The effect of material non-adjusting events subsequent to the reporting date has been disclosed in the financial statements;
- Trustees have considered whether the charity's tangible fixed assets have been impaired due to COVID-19. Trustees have also considered whether their estimate of useful economic lives remains appropriate. Trustee consideration has included a review of the current market value of those assets and their future economic performance;
- Trustees have considered whether the net realisable value of stock has been affected by COVID-19;
- At the reporting date, any additional liabilities arising as a result of COVID-19 have been recognised.

Following review, Trustees believe they have continued to follow the principles of the Charity Governance Code and confirm the following:

- COVID-19 did not impact on the charity's payments to HMRC;
- The charity did not apply for any Government grants including the Job Retention Scheme (JRS);
- As the charity operate a Defined Contribution Pension Scheme, and all employees continued to be fully paid, there was no impact on the scheme (less the impact on investments made by the pension provider) or pension deficit;
- The charity does not have any loans therefore financing or refinancing is not impacted;
- None of the physical checks (financial and stocktake) were replaced by virtual checks;
- COVID-19 had not impacted on the charity's reserves or governance (internal controls) and had a limited, predictable, effect on our achievements. Trustees do not envisage the current situation, at year-end, hindering our future plans;
- Investments suffered initially in a volatile market but recovered well which has been captured in the investment narrative of the report;
- Financial staff have reviewed their accounting policy for recognising legacy income to ensure that it remains appropriate in light of the situation;
- All grant commitments were met without postponement;
- Principal risks and uncertainties have been updated within the Risk Register to encompass lessons learnt from the COVID-19 pandemic.

ACTIVITY REPORTING

Allocation of staff time to principal objectives and routine governance is based on the percentage individual staff members contribute to each objective or governance.

PUBLIC BENEFIT

In addition to promoting the efficiency of the Army and, in particular, Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively, through involvement in nationally recognised vocational educational and training schemes, the work of REVETT benefits the public by:

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued) for the year ended 31 December 2020

- Ensuring that RE personnel are qualified for civilian employment on discharge, thereby making them more likely to be productive, self-sufficient citizens in civilian life;
- Making enlistment into the Corps more attractive, thereby supporting recruitment;
- Making extended service in the Corps more attractive by providing qualification progression routes, thereby supporting retention;

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

At the beginning of 2013 the then governing document was made up of three components: the Declaration of Trust dated 3 December 1997, the First Deed of Amendment in 2007, and the Second Deed of Amendment in 2011. The decision was taken during the year to consolidate their provisions into a single document, with the aim of improving clarity. This resulted in the Deed of Constitution and Amendment which came into effect in August 2013, and became the governing document. Another Deed of Amendment was produced in 2015 (17 November 2015) leading to the 2016 Consolidating Trust Deed which is the current governing document.

APPOINTMENT OF TRUSTEES

The Deed of Constitution and Amendment referred to above provides for a maximum of 7 ex-officio Trustees and a maximum of 3 co-opted. The latter are now appointed for a period of twelve months by a resolution of the Trustees passed at a special meeting. Co-opted Trustees may be re-appointed by the same process. The Trustees who served during the year are detailed on page 8.

TRUSTEE INDUCTION AND TRAINING

New Trustees are briefed on their role and responsibilities and advised to study the guidance provided by the Charity Commission website including downloadable documents. All new Trustees, where possible, need to attend a trustee training course within 6 months of appointment and refresher training every 3 years.

ORGANISATIONAL STRUCTURE AND NETWORKS

To enable the Trust to achieve its objects, it employs a small team to:

- Develop and maintain appropriate policies and procedures.
- Conduct, promote, update and report on operations.
- Identify, develop, implement, maintain and improve accreditation opportunities for Royal Engineers.

Although autonomous, the Trustees and their employees collaborate closely with various organisations, including:

- The Royal School of Military Engineering (RSME) and other establishments training Royal Engineers.
- The Public Private Partnership (PPP) contractors to the RSME, known as Holdfast.
- Other Trusts and organisations supporting education and work-based learning for the Army.
- Sector Skills Councils (SSC) responsible for specifying national competency standards in particular occupations.
- Awarding Organisations (AO), including DAO.

RISK MANAGEMENT STATEMENT

The Trustees closely monitor the major risks to which the charity is exposed. Trustees continually and regularly reviewed the risk register in 2020 and are satisfied that systems have been established to mitigate those risks identified. The two key risks identified, which have been elevated to the Chief Royal's Board level were identified as:

Royal Engineers Vocational Education and Training Trust

Trustee's Report (continued) for the year ended 31 December 2020

- **Operational Risk.** A failure to conclude vocational qualification programmes, initiated by either REVETT or other providers, for Corps personnel. This risk is being mitigated through the close monitoring (by the CE) of successful completion rates and promoting awareness of the track record and success rates throughout the Corps. It is further mitigated by ensuring robust and effective monitoring is in place, with regular feedback, from all external providers.
- **Financial Risk.** A failure to generate sufficient returns from investments and/or failure to generate income from other activities to fund REVETT's annual activities. In 2016 REVETT transferred its investment portfolio to a different investment manager to generate a better return. The REVETT Board will also undertake rigorous consideration of new income generation activities.

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 charity and its incoming resources 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 then 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 assume that the charity will continue in business.

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 & 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 by



Lieutenant Colonel (Retired) G J Hannington
Chief Executive

13th May 2021

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the charity, its Trustees and Advisers

Trustees

		Appointed	Resigned
Chairman & Trustee			
Comdt RSME Gp	Brig P J Rowell MBE	September 2019	
Trustees			
<i>Ex Officio</i>			
Corps Col	Col M Quare MBE ADC	September 2017	
Corps Col (Reserves)	Col A J G Ryan TD	November 2019	
DComd 25 Engr Gp	Lt Col C W Battey		
DComd 8 Engr Bde	Col A D Bellingall MBE	October 2015	
RE Corps Sergeant Major	WO1 (Corps SM) P Clark	June 2019	
Industry Independent	Mr N Goldie-Scot	December 2018	
Education Independent	Mr S Cook	January 2016	
<i>Co-opted</i>			
Treasurer	Maj (Retd) I Sidebottom	September 2013	
Chief Executive	Lt Col (Retd) M F Thomas	August 2014	December 2020
	Lt Col (Retd) G J Hannington	December 2020	

Charity registered number

1068709

Principal office

Headquarters Royal School of Military Engineering
Brompton Barracks
Chatham
Kent
ME4 4UG

Independent auditor

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

Royal Engineers Vocational Education and Training Trust

Reference and administrative details of the charity, its Trustees and Advisers (continued)

Bankers

Lloyds plc
Cox's & King's Branch
PO Box 1000
London
BX1 1LT

Solicitors

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

Investment House

Sanlam Private Wealth Limited
Exchange Building
St. John's Street
Chichester
West Sussex
PO19 1UP

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust

We have audited the financial statements of Royal Engineers Vocational Education and Training Trust (the 'charity') for the year ended 31 December 2020 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 2020 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.

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education Training Trust (continued)

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

**Independent Auditor's report to the Trustees of Royal Engineers Vocational Education Training Trust
(continued)**

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

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.

Royal Engineers Vocational Education and Training Trust

Independent Auditor's report to the Trustees of Royal Engineers Vocational Education Training Trust (continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 16 July 2021

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

Statement of financial activities
For the year ended 31 December 2020

		Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Total funds 2019
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	31,350	23,470	54,820	60,999
Investments	6	172,938	-	172,938	183,919
Total income		204,288	23,470	227,758	244,918
Expenditure on:					
Charitable activities	7	429,335	25,213	454,548	466,806
Total expenditure		429,335	25,213	454,548	466,806
Net income/(expenditure) before revaluations		(225,047)	(1,743)	(226,790)	(221,868)
Net gains/(losses) on investments		(265,488)	-	(265,488)	920,079
Net movement in funds for the year		(490,535)	(1,743)	(492,278)	698,211
Transfers between funds	18	(1,743)	1,743	-	-
Reconciliation of funds					
Total funds at 1 January 2020		7,407,977	-	7,407,977	6,709,766
Total funds at 31 December 2020		6,915,699	-	6,915,699	7,407,977

All activities relate to continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

Balance sheet
As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	14		3,248		2,238
Investments	15		6,845,306		7,130,764
			<u>6,848,554</u>		<u>7,133,002</u>
Current assets					
Debtors	16	11,242		26,125	
Cash at bank			139,459	296,944	
			<u>150,701</u>	<u>323,069</u>	
Creditors: amounts falling due within one year	17	(83,556)		(48,094)	
Net current assets			<u>67,145</u>		<u>274,975</u>
Net assets			<u>6,915,699</u>		<u>7,407,977</u>
Charity Funds					
Restricted funds	18		-		-
Unrestricted funds	18		6,915,699		7,407,977
Total funds			<u>6,915,699</u>		<u>7,407,977</u>

The financial statements were approved by the Trustees on 13th May 2021 and signed on their behalf, by:



Brigadier P J Rowell MBE



Colonel M Quare MBE ADC

The notes on pages 18 to 30 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020	2019
		£	£
Net cash used in operating activities	22	<u>(720,332)</u>	<u>(16,927)</u>
Cash flows from investing activities			
Interest and dividends		172,938	183,939
Purchase of tangible fixed assets		(2,121)	-
Proceeds from sale of tangible fixed assets		-	5,000
Proceeds from sale of investments		6,906,308	3,194,600
Purchase of investments		(6,514,278)	(3,079,892)
Cash provided by (used in) investing activities		<u>562,847</u>	<u>303,647</u>
Increase (decrease) in cash and cash equivalents in the year		<u>(157,485)</u>	<u>286,720</u>
Cash and cash equivalents at the beginning of the year		296,944	10,224
Total cash and cash equivalents at the end of the year		<u>139,459</u>	<u>296,944</u>

Analysis of changes in net debt

	At 31 Jan 2020	Cashflows	At 31 Dec 2020
	£	£	£
Cash and cash equivalents			
Cash	296,944	(157,485)	139,459

Notes to the financial statements
For the year ended 31 December 2020

1 General Administrative Information

Royal Engineers Vocational Education and Training Trust is an unincorporated charity in England and Wales with the charity registration number 1068709. The address of the registered office is Headquarters Royal Engineers, Ravelin Building, Brompton Barracks, Chatham, Kent, ME4 4UG. The charity's principal objectives continue to be to promote the efficiency of the Army and in particular the Royal Engineers by advancing the education and competency of its personnel both Regular and Reserve, primarily, but not exclusively through involvement in nationally recognised vocational education and training schemes.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Royal Engineers Vocational Education and Training 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).

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.

Whilst the impact of the Covid-19 pandemic has been assessed by the Trustees, so as far as is reasonably possible due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves and the actions they've taken, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

2.3 Fund accounting

Unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

AWBL second call funding is restricted and can be used only for the Minley Project.

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

2.4 Income

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

Notes to the financial statements
For the year ended 31 December 2020

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust 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 objectives of the trust and are always authorised by the trustees.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 7.

2.6 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Depreciation is provided to write off the cost, less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation used are as follows:

Computer and office equipment	-	10 - 20% per annum on cost
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2.7 Investments

Investments held as fixed assets are included in the accounts at mid-market valuation.

2.8 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.

2.9 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 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.

Notes to the financial statements
For the year ended 31 December 2020

2 Accounting policies (continued)

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.

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

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.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000 - three recorded phone quotations
- b. Between £5,000 and £10,000 - three written quotations from suppliers
- c. Over £10,000 - internal tender board selection from written quotations

Notes to the financial statements
For the year ended 31 December 2020

3 Donations and Legacies

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note				
Grants	4	-	23,470	23,470	30,000
Donated services and facilities	5	31,350	-	31,350	30,999
		<u>31,350</u>	<u>23,470</u>	<u>54,820</u>	<u>60,999</u>

All of the donations and legacies income was unrestricted in 2020 and 2019.

4 Grants	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Army Apprenticeship Fund	23,470	23,470	-
REA Grant	-	-	30,000
	<u>23,470</u>	<u>23,470</u>	<u>30,000</u>

In 2020 all of the grant income was restricted (2019: all of the grant income was unrestricted).

5 Donated services and facilities

	Total funds 2020 £	Total funds 2019 £
Administrative salaries	<u>31,350</u>	<u>30,999</u>

Notes to the financial statements
For the year ended 31 December 2020

6 Investment Income

	Total funds 2020 £	Total funds 2019 £
Dividends	172,849	183,449
Bank interest	89	490
	<u>172,938</u>	<u>183,939</u>

All of the investment income was unrestricted in 2020 and 2019.

7 Analysis of expenditure on Charitable activities

	Note	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Training	8	101,006	102,854	203,860	233,194
Development programme	9		126,152	126,152	98,016
Registration and certification fees	10	90,715	-	90,715	93,847
Health & safety testing		735	-	735	2,887
Tuition costs	11	-	16,974	16,974	19,375
Investment management fees		16,112	-	16,112	19,487
		<u>208,568</u>	<u>245,980</u>	<u>454,548</u>	<u>466,806</u>

Expenditure on charitable activities was £454,548 (2019: £466,806) of which £429,335 was unrestricted (2019: £456,806) and £25,213 was restricted (2019: £10,000).

Notes to the financial statements
For the year ended 31 December 2020

8 Training

	Total Funds 2020	Total Funds 2019
	£	£
Activities undertaken directly		
Continuous personal development	100,125	89,851
Professional Recognition Award	8,889	9,709
Training Development Programme	1,024	2,643
Continuous personal development	(9,032)	(820)
	101,006	101,383
Support costs		
Depreciation of fixed assets	1,111	753
Loss on disposal of fixed assets	-	33,813
Marketing & website	198	57
Legal and professional fees	708	208
Insurance	503	517
IT support & equipment	1,043	674
Stationery	111	225
Postage and telephone	162	382
Photocopier	258	245
Bank charges	20	14
Travel and subsistence	460	810
Miscellaneous costs	123	244
Hospitality	113	106
Staff recruiting and training	-	295
Staff costs	87,594	83,134
Donated services and facilities - admin salaries	10,450	10,333
	102,854	131,811
	203,860	233,194

Notes to the financial statements
For the year ended 31 December 2020

9 Development programme

	Unrestricted funds 2020	Restricted funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
Activities undertaken directly				
Training Development Programme	-	25,213	25,213	26,266
	-	25,213	25,213	26,266
Support costs				
Marketing & website	203	-	203	59
Insurance	517	-	517	533
IT support & equipment	1,075	-	1,075	695
Stationery	115	-	115	232
Postage and telephone	167	-	167	394
Subscriptions	249	-	249	249
Photocopier	266	-	266	251
Bank charges	20	-	20	15
Travel and subsistence	475	-	475	834
Miscellaneous costs	126	-	126	251
Hospitality	117	-	117	109
Communications Hub grant	26,250	-	26,250	-
Staff costs	60,909	-	60,909	57,795
Donated services and facilities - admin salaries	10,450	-	10,450	10,333
	100,939	-	100,939	71,750
	100,939	25,213	126,152	98,016

10 Registration and certification fees

	2020 £	2019 £
Activities undertaken directly		
Registration	68,789	77,404
Certification	21,927	16,443
	90,715	93,847

Notes to the financial statements
For the year ended 31 December 2020

11 Tuition costs	Total Funds 2020	Total Funds 2019
	£	£
Activities undertaken directly		
Training Development Programme	-	2,493
	-	2,493
Support costs		
Audit fee	3,498	3,240
Marketing & website	198	57
Insurance	503	517
IT support & equipment	1,043	674
Stationery	111	225
Postage and telephone	162	382
Photocopier	258	245
Fees and Licences	35	35
Bank charges	20	14
Travel and subsistence	460	810
Miscellaneous costs	123	244
Hospitality	113	106
Donated services and facilities - admin salaries	10,450	10,333
	16,974	16,882
	16,974	19,375
12 Net income / (expenditure)		
This is stated after charging:		
	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,111	753
Auditor's remuneration	3,498	3,240

During the year, no Trustees received any remuneration (2019: £NIL).
During the year, no Trustees received any benefits in kind (2019: £NIL).
During the year, no Trustees received any reimbursement of expenses (2019: £NIL).

Notes to the financial statements
For the year ended 31 December 2020

13 Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	130,638	122,585
Social security costs	8,671	8,843
Other pension costs	9,194	9,501
	<u>148,503</u>	<u>140,929</u>

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

	2020 No.	2019 No.
Direct charitable employment	4	4
Management and administration of the charity	3	3
	<u>7</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.
 The total employment benefits including employer pension contributions of the key management personnel were £62,993 (2019: £59,949).

Notes to the financial statements
For the year ended 31 December 2020

	Computer and Office Equipment
	£
14 Tangible fixed assets	
Cost	
At 1 January 2020	22,070
Additions	2,121
Disposals	(281)
At 31 December 2020	<u>23,910</u>
Depreciation	
At 1 January 2020	19,832
Charge for the year	1,111
On disposals	(281)
At 31 December 2020	<u>20,662</u>
Net book value	
At 31 December 2020	<u>3,248</u>
At 31 December 2019	<u>2,238</u>

15 Fixed asset investments

	Listed securities
	£
Market value	
At 1 January 2020	7,130,764
Additions	6,514,278
Revaluations	106,572
Sold	(6,906,308)
At 31 December 2020	<u>6,845,306</u>
Historical cost	6,485,618
Investments at market value comprise:	
	2020
	£
	2019
	£
Listed investments	<u>6,845,306</u>
	<u>7,130,764</u>

Notes to the financial statements
For the year ended 31 December 2019

16 Debtors

	2020 £	2019 £
Other debtors	11,242	26,125

17 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,071	11,234
Accruals and deferred income	78,485	36,860
	83,556	48,094

18 Statement of funds

Current year	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted income fund	7,407,977	204,288	(429,335)	(1,743)	(265,488)	6,915,699
Restricted funds						
Army Apprenticeship Fund	-	23,470	(25,213)	1,743	-	-
Total of funds	7,407,977	227,758	(454,548)	-	(265,488)	6,915,699
Prior year						
	Brought forward £	Income £	Expenditure £	Transfers In/(Out) £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted income fund	6,699,766	244,938	(456,806)	-	920,079	7,407,977
Restricted funds						
Minley Project	10,000	-	(10,000)	-	-	-
Total of funds	6,709,766	244,938	(466,806)	-	920,079	7,407,977

Notes to the financial statements
For the year ended 31 December 2020

19 Analysis of net assets between funds

Current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,248	-	3,248
Fixed asset investments	6,845,306	-	6,845,306
Current assets	150,701	-	150,701
Creditors due within one year	(83,556)	-	(83,556)
	6,915,699	-	6,915,699

Prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	2,238	-	2,238
Fixed asset investments	7,130,764	-	7,130,764
Current assets	323,069	-	323,069
Creditors due within one year	(48,094)	-	(48,094)
	7,407,977	-	7,407,977

20 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 £9,194 (2019: £9,501).

Notes to the financial statements

For the year ended 31 December 2020

21 Related party transactions

All funds received and expended are in respect of providing education and training to military and civilian staff in Royal Engineer units. Further details are provided in the Trustees' Annual Report.

The Trustees control the Trust.

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

	Total funds 2020	Total funds 2019
	£	£
Net movement in funds	(492,278)	698,211
Add back depreciation charge	1,111	753
Loss on disposal of tangible fixed assets	-	33,813
Deduct interest income shown in investing activities	(172,938)	(183,939)
Deduct gains / add back losses on investments	(106,572)	(798,750)
Decrease (increase) in debtors	14,883	220,784
Increase (decrease) in creditors	35,462	12,201
Net cash used in operating activities	(720,332)	(16,927)