

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

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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.

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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.

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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

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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.

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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.

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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

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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.

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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.

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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 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).

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)