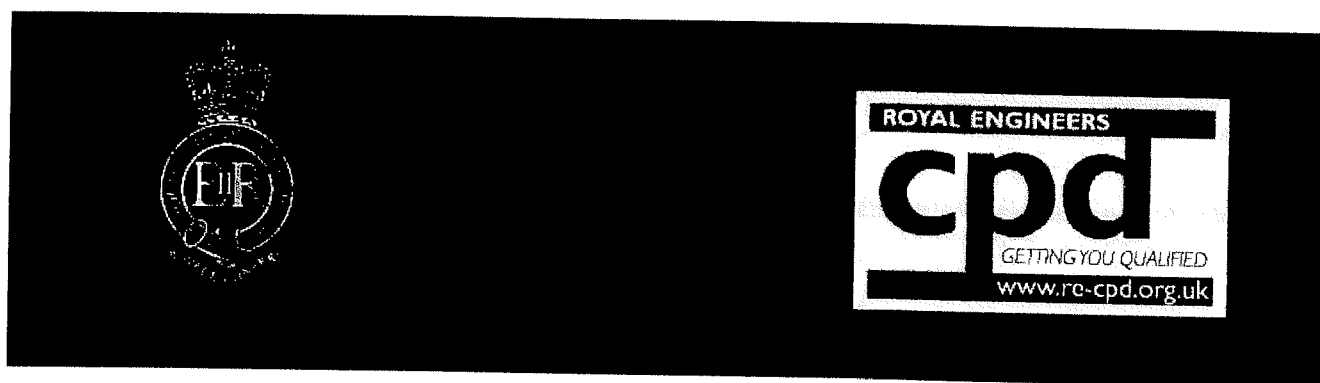


Charity number: 1068709

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

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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:

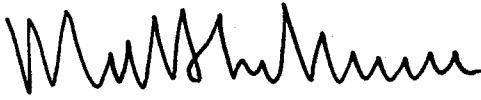
- select suitable accounting policies then apply them consistently
- observe the methods and principles of the Charities SORP (FRS 102) (2019)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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

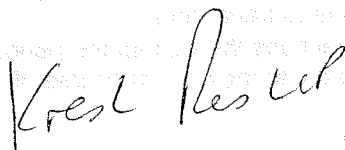
Independent Auditor's report to the Trustees of Royal Engineers Vocational Education and Training Trust (continued)

- 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
	134,834	148,503

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
	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 £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>