

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2022

Royal Engineers Vocational Education and Training Trust

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

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

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

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

EXPLANATION OF AIMS

The aims of the Trust are to:

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

MAIN OBJECTIVES IN 2022

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

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

¹ This includes the Queen's Gurkha Engineers

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

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2022

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

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

DETAILS OF SIGNIFICANT ACTIVITIES IN 2022

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

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

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

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

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

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

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

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

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

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

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

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

REVETT - TOTAL QUALIFICATIONS AND AWARDS 2022

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

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

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

Note: C&G = City and Guilds.

QUALIFICATION LEVELS IN ENGLAND, WALES, AND NORTHERN IRELAND

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

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

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

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

INVESTMENT PERFORMANCE

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

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

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

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

FINANCIAL REVIEW

GENERAL

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

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£361,684 (2021: gains of £654,188).

BALANCE SHEET

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

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

INVESTMENT POWERS

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

INVESTMENT HOUSE & POLICY

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

RESERVE POLICY (CAPITAL)

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

GRANT MAKING POLICIES

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

REVIEW OF PRINCIPAL FUNDING SOURCES

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

PLANS FOR THE FUTURE

The Trust intends to:

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

ACTIVITY REPORTING

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

PUBLIC BENEFIT

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

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

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

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

APPOINTMENT OF TRUSTEES

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

TRUSTEE INDUCTION AND TRAINING

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

ORGANISATIONAL STRUCTURE AND NETWORKS

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

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

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

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

RISK MANAGEMENT STATEMENT

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

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The 2 key risks identified remain constant:

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

Statement of Trustees' responsibilities

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

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

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

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

Approved by the Trustees and signed on behalf of the Trustees



**Colonel RB Hawkins MBE ADC
Trustee**

24th April 2023

Royal Engineers Vocational Education and Training Trust

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

Trustees

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

Co-opted

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

Charity registered number

1068709

Principal office

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

Royal Engineers Vocational Education and Training Trust

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

Independent auditor

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

Bankers

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

Solicitors

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

Investment House

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

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

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

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

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Respective responsibilities of Trustees and auditor

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Royal Engineers Vocational Education and Training Trust

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the audit engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Royal Engineers Vocational Education and Training Trust

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

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

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

Use of our report

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



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

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

Royal Engineers Vocational Education and Training Trust

Statement of financial activities For the year ended 31 December 2022

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

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

All activities relate to continuing operations.

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

Royal Engineers Vocational Education and Training Trust

Balance sheet As at 31 December 2022

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

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



Brigadier P J Rowell MBE, Trustee



Colonel RB Hawkins MBE ADC, Trustee

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

Royal Engineers Vocational Education and Training Trust

Statement of Cash Flows For the year ended 31 December 2022

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

Analysis of changes in net debt

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

Royal Engineers Vocational Education and Training Trust

Notes to the financial statements

For the year ended 31 December 2022

1 General Administrative Information

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

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP(FRS102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Royal Engineers Vocational Education and Training Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in UK sterling, which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Preparation of the accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Fund accounting

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

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

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

2.4 Income

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

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

2 Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust to the expenditure. All expenditure is accounted for on an accruals basis. Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust and are always authorised by the trustees.

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

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

2.6 Tangible fixed assets and depreciation

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

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

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

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

2.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

2 Accounting policies (continued)

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.13 Donated services and facilities

The cost of donated services is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. This amount is matched by donated expenditure, apportioned against charitable activities and support.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

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

2.16 Taxation

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

2.17 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

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

3 Donations and Legacies

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

4 Grants

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

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

5 Donated services and facilities

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

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

6 Investment Income

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

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

7 Analysis of expenditure on Charitable activities

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

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

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

8 Training

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

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

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

10 Registration and certification fees

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

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

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

12 Net income / (expenditure)

This is stated after charging:

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

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

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

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

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

13 Staff costs

Staff costs were as follows:

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

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

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

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

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

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

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

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

16 Debtors

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

17 Creditors: amounts falling due within one year

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

18 Statement of funds

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

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

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

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

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

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

19 Analysis of net assets between funds

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

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

20 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,332 (2021: £9,226).

Royal Engineers Vocational Education and Training Trust

Notes to the financial statements

For the year ended 31 December 2022

21 Related party transactions

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

The Trustees control the Trust.

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

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