

Charity number: 1068709

Royal Engineers Vocational Education and Training Trust



Trustees' report and financial statements

for the year ended 31 December 2023

Royal Engineers Vocational Education and Training Trust

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

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

SUMMARY OF LEGAL OBJECTS

The objects of the Trust are:

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

EXPLANATION OF AIMS

The aims of the Trust are to:

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

MAIN OBJECTIVES IN 2023

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

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

¹ This includes the Queen's Gurkha Engineers

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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 Operations Director to review, manage and mitigate risk using the REVETT Risk Register.

STRATEGIES FOR ACHIEVING OBJECTIVES IN 2023

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

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

DETAILS OF SIGNIFICANT ACTIVITIES IN 2023

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

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

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

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

CONTRIBUTION OF VOLUNTEERS

The Trust has no volunteer workers.

ACHIEVEMENTS AND PERFORMANCE

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

Table 1. REVETT Total Qualifications and Awards 2023.

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

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

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

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

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

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

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

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

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

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

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

INVESTMENT PERFORMANCE

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

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

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

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

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

⁴ Continuing Professional Development

FINANCIAL REVIEW

GENERAL

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

BALANCE SHEET

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

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

INVESTMENT POWERS

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

INVESTMENT HOUSE & POLICY

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

RESERVE POLICY (CAPITAL)

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

GRANT MAKING POLICIES

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

REVIEW OF PRINCIPAL FUNDING SOURCES

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

PLANS FOR THE FUTURE

The Trust intends to:

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

ACTIVITY REPORTING

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

PUBLIC BENEFIT

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

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

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the REVETT Independent Auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

APPOINTMENT OF TRUSTEES

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

TRUSTEE INDUCTION AND TRAINING

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

ORGANISATIONAL STRUCTURE AND NETWORKS

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

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

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

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

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

RISK MANAGEMENT STATEMENT

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

The three key risks are assessed to be:

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

Statement of Trustees' responsibilities

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

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

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

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

Approved by the Trustees on 27 June 2024 and signed on behalf of the Trustees



**Colonel RB Hawkins MBE ADC
Trustee**

Date: 8 July 2024

Royal Engineers Vocational Education and Training Trust

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

Trustees

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

Charity registered number

1068709

Principal office

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

Royal Engineers Vocational Education and Training Trust

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

Independent auditor

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

Bankers

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

Solicitors

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

Investment House

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

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

We have audited the financial statements of Royal Engineers Vocational Education and Training Trust (the 'charity') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as of 31 December 2023 and of its income and application of resources for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern.

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception.

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

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

Respective responsibilities of Trustees and auditor

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities, including fraud

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

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

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and

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

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Use of our report

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

A handwritten signature in blue ink that reads "Kreston Reeves LLP". The signature is written in a cursive, flowing style.

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham

Date: **31 July 2024**

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

Statement of financial activities
For the year ended 31 December 2023

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

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

All activities relate to continuing operations.

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

Royal Engineers Vocational Education and Training Trust

Charity Number 1068709
Balance sheet
As at 31 December 2023

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

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



Brigadier GJ Boxall MBE, Trustee



Colonel RB Hawkins MBE ADC, Trustee

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

Royal Engineers Vocational Education and Training Trust

Statement of Cash Flows For the year ended 31 December 2023

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

Analysis of changes in net debt

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

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

1 General Administrative Information

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

2 Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

2.2 Preparation of the accounts on a going concern basis

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

2.3 Fund accounting

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

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

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

2.4 Income

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

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

2 Accounting policies (continued)

2.5 Expenditure

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

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

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

2.6 Tangible fixed assets and depreciation

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

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

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

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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

2 Accounting policies (continued)

2.11 Financial instruments

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

2.12 Pensions

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

2.13 Donated services and facilities

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

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

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

2.15 Taxation

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

2.16 Critical accounting estimates and areas of judgement

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

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

3 Donations and Legacies

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

4 Grants

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

All of the Grant income was restricted in 2022 .

5 Donated services and facilities

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

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

6 Investment Income

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

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

7 Analysis of expenditure on Charitable activities

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

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

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

8 Training

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

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

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

10 Registration and certification fees

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

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

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

12 Net expenditure

This is stated after charging:

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

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

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

During the year, no Trustees received any reimbursement of expenses (2022: £NIL).

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

13 Staff costs

Staff costs were as follows:

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

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

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

The average headcount expressed as full-time equivalents was:

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

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

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

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

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

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

16 Debtors

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

17 Creditors: amounts falling due within one year

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

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	6,835,114	251,283	(405,987)	-	307,978	6,988,388
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Total of funds	6,835,114	251,283	(405,987)	-	307,978	6,988,388
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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	7,288,532	267,432	(359,123)	(43)	(361,684)	6,835,114
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Restricted funds

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

19 Analysis of net assets between funds

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

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

20 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,204 (2022: £8,332).

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

21 Related party transactions

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

The Trustees control the Trust.

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

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