

THE REME CHARITY

England & Wales · Charity number 1165868

Details

Status	Registered
Legal form	Charitable company
Company number	10036700
Registered	2016-03-04
Register	View on the Charity Commission register

Contact

Address	Rhq Reme Lyneham Chippenham SN15 4XX
Phone	01249 894520
Email	chiefexecutive@remecharity.org
Website	remecharity.org

Activities

Objects: 1. TO PROMOTE THE EFFICIENCY OF R.E.M.E. AND FOSTERING ITS ESPRIT DE CORPS. 2. TO RELIEVE EITHER GENERALLY OR INDIVIDUAL NECESSITOUS PERSONS BEING MEMBERS OR FORMER MEMBERS OF R.E.M.E. OR THEIR DEPENDANTS ("BENEFICIARIES"). 3. TO SUPPORT CHARITABLE PURPOSES FOR THE BENEFIT OF BENEFICIARIES.SUCH OBJECTS AND PURPOSES MAY BE CARRIED OUT IN ANY PART OF THE WORLD SO LONG AS THEY ARE EXCLUSIVELY CHARITABLE.

Activities: A Service Charity providing benevolence,welfare and general support to serving and retired members of the Corps of Royal Electrical and Mechanical Engineers with the broad aim of enhancing esprit de corps and thereby improving the efficiency of the armed forces of the Crown.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Amateur Sport, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£3,071,624	£2,969,981	£19,710,590	40
2024-12-31	£2,831,837	£2,671,988	£17,041,579	29
2023-12-31	£2,497,716	£2,558,768	£15,825,884	25
2022-12-31	£2,393,542	£3,327,460	£15,183,697	23
2021-12-31	£2,511,910	£2,276,018	£17,226,120	20
2020-12-31	£2,174,379	£1,856,999	£19,430,634	21

Trustees

Name	Role	Appointed
Brigadier Clare Phillips CBE	Chair	2016-10-28
Alexander Shand CEng		2023-08-01
COLONEL BOB FRAM		2018-11-01
Harriet Burns		2023-08-01
James Alexander Foster		2024-01-17
Lt Col Abigail Brown		2024-05-23
Major Paul Charles Dennis Hembery		2018-06-05
Megan Ashton RN		2023-08-01
Paul Tumim		2023-08-01
Trevor Hirst MSc CEng		2023-08-01

Linked charities

- ROYAL ELECTRICAL AND MECHANICAL ENGINEERS CENTRAL CHARITABLE TRUST (1165868-1)
- THE ROYAL ELECTRICAL AND MECHANICAL ENGINEERS' BENEVOLENT FUND (1165868-2)
- THE ROYAL ELECTRICAL AND MECHANICAL ENGINEER'S HOTEL FUND (1165868-3)
- THE GENERAL FUND OF THE ROYAL ELECTRICAL AND MECHANICAL ENGINEERS SPORTS ASSOCIATION (1165868-4)

THE REME CHARITY

England & Wales - Charity number 1165868

Accounts

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2025



The REME Charity

Reference and administrative details

For the year ended 31 December 2025

Company number 10036700

Charity number 1165868

Registered office and operational address The REME Charity
Regimental Headquarters REME
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Brig C P Phillips CBE	Chair
Cdr M Ashton RN	
Lt Col A Brown	
Capt H Burns	
J Foster	
Col (Retd) R Fram MC	
Maj P C D Hembury	
Mr T Hirst MSc CEng	
Col D G Scott ADC	(retired 15 April 2025)
Maj A Shand CEng	
P Tumim	

Chief executive officer and company secretary Mrs Barbel Harris

Bankers Holt's Military Banking
The Royal Bank of Scotland Plc
200 Fowler Avenue
Fowler Business Park
Farnborough
GU14 7JP

Sparkasse
Berliner Sparkasse
Alexanderplatz 2
10178 Berlin

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

The REME Charity

Reference and administrative details

For the year ended 31 December 2025

Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury Wilts SP1 2SB
Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Articles of Association, the Charities Act 2011, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the Articles of Association of The REME Charity dated 2 March 2016. The trustees reviewed and amended the organisations Charity Governance Manual in 2025. The Corps of Royal Electrical and Mechanical Engineers (REME) has been supported by a charity since 1945. The REME inaugural charities were the REME Benevolent Fund and REME Scholarship funds. Over the years, these charities have been linked, closed and joined by others. Today, The REME Charity is the headline charity which has the REME Central Charitable Trust (1165868-1), the REME Benevolent Fund (1165868-2) and the REME Sports Association (1165868-4) linked to it. The REME Museum (272740) is included in these group accounts, as it is governed by the same Trustee Board and is administered by the REME Charity. The REME Trading Company is incorporated and is controlled by the Charity.

The REME Charity closely monitors the Corps' military operational activities and any additional support REME personnel, past or present, may require. Every spring, the Board revisits the Charity's strategy and mid-term objectives to ensure our activities meet those emerging needs and that we protect our long-term viability. To that end we regularly examine our impact metrics and administer surveys to remain relevant to our beneficiaries.

We strive to increase our reach and impact and good two-way communication with the REME Family. In 2025 we visited most of our 9 Battalions in their respective homes and attended Family Days and Health Fairs and also attended various Veteran gatherings across the UK. This increased our visibility and offered insights into how we can be most supportive of our beneficiaries.

Recruitment and appointment of Trustees

Board members newly recruited in 2024 have now firmly bedded in. Succession and further diversification remain an agenda item for our meetings and more work is planned to better reflect and represent the diversity amongst our beneficiaries.

New Trustees are offered training, access to newsletters and relevant literature and are supplied with pertinent information by the CEO, to keep up to date with current regulatory, reporting and compliance related matters, thereby enabling them to fulfil their obligations.

Organisational structure and governance

The Board of Trustees is an independent decision-making governing body which meets at least three times a year. The board is led by a Chair. Trustees are given responsibility for different areas of the business and chair separate sub-committees to monitor performance and exercise governance. The Finance and Investment Committee meets quarterly. The execution of the day to day running of the business is delegated to the Chief Executive Officer, with delegated spending powers defined in the Governance Manual.

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

Risk management

The Charity maintains a risk register which is reviewed biannually by a sub-committee. Risks are categorised in five main areas: Impact, Financial Sustainability, Compliance, Operational, and Hazards and Reputation. A reduction in income, both from the supporter base within the Corps through the Day's Pay Scheme (payroll giving), and a reduction in investment income due to volatile markets, poses the biggest risk to the Charity.

OBJECTS AND ACTIVITIES

Public benefit

We provide public benefit by assisting REME regular and reserve personnel to more effectively perform their roles and duties within the British Army. We support serving personnel's families and the retired veteran community and their families by enhancing esprit de corps through promoting the concept of support to the REME family for life. We do this by providing funding for benevolence, welfare, communications, activities, social gatherings and events. Our assistance enables Service personnel to face the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, mental wellbeing and morale.

We promote the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it, including the defence of the United Kingdom and its interests. By supporting the wider REME family, we assist the Government in fulfilling its promise in the Armed Forces Covenant to treat serving personnel, veterans and their families fairly.

Through our support to the REME Museum, we preserve the heritage of the Corps of REME through collecting and conserving appropriate artefacts, memorabilia and memories for future generations and communicate the story of REME and the people who served in the Corps to the visiting public and to a wider audience on-line.

Objects

The REME Charity is independent of military authorities. It undertakes a crucial function as the needs and ambitions of the REME family go beyond the bounds of the resources and policies of the Army and MOD. The three pillars of our support to the Family are:

- 1) To promote the efficiency of REME and foster esprit de corps;
- 2) To relieve either generally or individually necessitous persons being members or former members of REME or their dependants (beneficiaries); and
- 3) To support charitable purposes for the benefit of beneficiaries.

These objects allow the charity to provide support to REME regular, reserve and retired personnel and their families. This is done through the provision of grants to groups or individuals and through fostering connections which promote REME efficiency, ethos and comradeship, giving members a sense of belonging to the REME Family.

STRATEGY

The Board of Trustees articulated the REME Charity Strategy 2022 – 2025, which details how the Charity aims to interpret and fulfil its objectives, prioritise resources and ensure capabilities for the next 3 years. It forms the basis of the workplan, recruitment and associated activities for the executive. The Strategy will be reviewed in 2026.

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

2025 charitable objectives, themes and activities

Welfare

The number of welfare cases we financially supported reduced somewhat in 2025 to 426 from 461 in 2024. Most applicants attributed their reason for contacting us to unemployment (33.5%) and related benefit issues, followed by Mental Health issues (11.25%) and other disability issues (8.7%). Most notable is the increase of financial support the Charity has been lending to international flights for our overseas serving personnel (10%). Furthermore, we saw an increased need to support families in obtaining private diagnoses (37 in 2025) for conditions such as ADHD or Autism, as waiting lists in schools are long and a parent's operational postings can significantly extend that waiting period. Overall, the proportion of serving personnel requiring the Charity's support is steadily increasing, amounting to a third of applications in 2025.

Our total welfare case expenditure amounted to £388,954 (£386,743 in 2024; £408,695 in 2023; £227,632 in 2022), with average grants of £913 (£655 in 2024; £718 in 2023; £605 in 2022). The Board of Trustees recognises the immense contribution the Army Benevolent Fund makes to our welfare cases and in 2025 renewed our commitment to donate £85,000 in support of their welfare work.

In 2025, 20 of our over 180 REME Responders were actively engaged in the support of REME Family members. The Responders form part of our flagship initiative 'Lifting the Decks.' Founded in 2022, REME Responders stand ready to support their comrades, with good geographical coverage, able to spring into action, wherever support is needed. This can come in the shape of comrade visits, practical help with chores or transport, or result in a referral to specialist services, often preventing escalation and crises. The vast majority of volunteers are DBS checked and Safeguarding trained. The Responders also have a closed social media group, a regular newsletter and are offered training opportunities.

'Lifting the Decks' has become an institution since its inception in 2021 and attracts major fundraising events, such as the 'Virtual 10k' in May (for the first time a proper, in-person race in Lyneham) and the 'Lifting the Decks Challenge' in October. Those events are led by serving REME soldiers and have raised £60,553 this year, a massive increase to 2024 (£33,141). Those events are well supported by the Corps and help to spread our message of support more widely. The programme offers counselling access, respite breaks, comrade visits and signposting to professional support, designed to tackle problems timely and presenting choice to the service user. In addition, the Corps Welfare Officer undertakes comrade visits, supporting REME Family members, and connects the REME Charity to the serving community.

Esprit de Corps

Corps wide events are imperative for Esprit de Corps. The Charity strives to facilitate gathering of discrete groups as well as offering occasions for both serving and retired personnel. We support serving REME soldiers' team sports, Adventurous Training and Enterprise, veteran reunions, Female REME Conferences, mess events and other gatherings to celebrate important dates, such as St Eligius Day, promote cohesion and instil a sense of belonging.

36 sports teams were allocated £374,660 an increase of £16,225 from 2024. The annual grassroots skiing event EXERCISE SUPREME GLACIER took place once again in December and resulted in a record number of REME skiers qualifying for the Army Championships. The Charity was also happy to financially support 100 Snowboarders, offering many a first experience on alpine slopes.

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

The REME Association gathered for seven centrally organised events in 2025. We had a great turnout for the annual Reunion at the beautiful Walton Hall in Warwickshire and the sun shone on serving and reserve personnel, veterans and family members at the Corps Memorial event at the National Memorial Arboretum in late September.

22 bereaved families were supplied with coffin drapes, 20 Buglers, 15 Standard Bearers, berets, flags etc. at veteran's funerals. Coffin drapes have been entrusted to the Scotland and the Northern Ireland branches of the REME Association to be supplied to funerals in their region. Buglers and Standard Bearers are volunteers who give up their time to honour their comrades. The service is coordinated by the Welfare team and is highly rated by bereaved families.

The REME Association Job Agency (RAJA) once again held two job fairs in 2025, one in the South (Lyneham) and one in the North (Catterick) of the UK. The events attracted over 106 companies and were attended by nearly 200 soldiers in their career transition period. The service supported 601 service leavers throughout the year.

The REME Association, the REME Institution, the REME Messes as well as the REME Museum receive annual grants from the Charity. Any unused funds return to the Charity.

'The Craftsman' magazine continued to be distributed to a 4,500 strong readership.

ACHIEVEMENTS AND PERFORMANCE

Income generation

The Charity continued to successfully promote subscriptions to the Day's Pay Scheme, with contributions of over 86% from regular soldiers and 96% from officers. Reservists' participation continued to increase. The income from the scheme constituted 45% of the overall income in 2025. The Charity is diversifying income streams and thus actively mitigating associated risks.

In 2025 the Charity was remembered in the wills of two REME veterans, amounting to legacy income of £202,173. This includes funds received in memory of Cfn Pearce, a dedicated REME Reservist. The Cfn Pearce Fund was instated for the benefit of our Reserve Battalions, with disbursement starting in 2026.

The Charity, together with the Halsden Centre, has embarked on a four year research project into Service Charities Equality Insights Project (SCEIP), sponsored by the Armed Forces Covenant Fund Trust. During 2025, we received £96,962 to finance the project.

The Charity holds an account portfolio with Sarasin & Partners. At 31 December 2025 the Sarasin main portfolio stood at: £15,991,499 (2024: £15,570,335), resulting in an income of over £400k in 2025, which constitutes IRO 20% of our annual income.

In January 2025, The REME Trading Co took on the direct management of Crowns Café, situated in the REME Museum, and hitherto managed by a third party. Staff was subject to TUPE and transferred into the REME Charity. This resulted in the cost of raising funds rising from 11.4% to 15.2%, staff headcount increased to 40 and trading income (note 6) has increased by 71%.

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

FINANCIAL REVIEW

Income

The total income of the REME Charity for the year ended 31 December 2025 was £3,071,624 (2024: £2,831,837) which, in addition to income generation channels and activities mentioned above includes £201,393 of services and facilities donated by the MoD.

Expenditure

Expenditure for the year was £2,969,981 and comprised £1,133,352 in direct esprit de corps activity, £600,941 in grants, £569,441 on the museum, £253,573 on support costs and £412,674 on income generation cost.

Reserves policy

The Trustees review the reserves policy and quantum of related investments during the annual budgetary cycle in the autumn of each year. The aim is to ensure the amount held in reserves and investments is adequate to mitigate against potential financial threats and to provide a secure base to meet future requirements and fulfil the objectives of the Charity over the long term.

The Charity identified a number of risks potentially impacting current income streams:

- The Charity continues to be dependent on current members of the Corps supporting the Day's Pay Giving Scheme (46% of total income). Any major change in the structure or strength of the Corps could impact the levels of future support available to Corps members;
- The Charity is reliant on the MoD administering the Day's Pay Giving Scheme and for the provision of infrastructure, utilities, IT systems, office supplies and a proportion of staff costs. If these MoD donated services were to be withdrawn, the Charity would suffer a strategic shock for which adequate reserve provision should be made; and
- The performance of the Charity's investment portfolio is subject to global market movements. While the present value of the portfolio produces (generally) IRO 20% of total required income, the value and/or dividend income can fluctuate, potentially markedly, due to market volatility.

To mitigate the identified financial risks, adequate reserves are required to meet the Charity's objectives. Reserves should be able to meet potential strategic shocks and increases in demands whilst also enabling the Trustees to deliver the Charity's objectives. The Charity's commitment is to support the REME Family now and particularly in the future.

Therefore, the Trustees have assessed the level of reserves and related investments required to meet these contingencies and mitigate against the current risk profile, to be in the range of £18 million.

The Charity's reserves are composed of designated funds to secure long term support of the charitable objectives: Welfare & Benevolence (32.5%), Promoting the efficiency of the Armed Forces (10%), Sports and Adventurous Training (37%) and Esprit de Corps (13.5%). A further 7% is designated to cover future governance and administrative cost. These designations are based on historic demand levels.

Funds in deficit

The Charity has no deficits.

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

Financial position

The trustees consider that the assets held by the charity enable the fund to meet its foreseen future obligations. Given the charity's current level of reserves, including investment assets of over £16M, the trustees are convinced that the charity will continue as a going concern at current spending levels for a period of at least 10 years from the date on which these financial statements are approved. The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(c) to the financial statements.

Dependency on donors

The viability of the Charity is highly dependent on the goodwill and donations of REME serving soldiers and veterans, with their contribution making up over half of the Charity's income.

The Charity's targeted marketing campaigns and increased communications in 2025 and 2024 have led to increased support through payroll-giving, with an almost 100% sign-up rate from new recruits. The diversification of income streams through increased fundraising activity has further mitigated potential risk. Our plans for 2026 include a legacy and in-memoriam campaign.

Fundraising

Fundraising for the REME Charity is undertaken by our supporters. They participate in runs, challenges or hold fundraising events, generating much appreciated, additional income. To support those activities, the Charity subscribes to 'Enthuse', a fundraising platform, where individual fundraisers can align their efforts to the objectives of the Charity. The REME Charity does not host fundraising events but we are always happy to attend events created by our beneficiaries and to support their efforts through social media. We do not engage a designated fundraiser nor external, commercial fundraisers, and have received no complaints in relation to our fundraising practices in

Funds held as custodian trustee

No funds are held as custodian trustee.

PLANS FOR FUTURE PERIODS

The Board of Trustees devised the REME Charity Strategy 2022-2025 during a workshop in early 2022 and thoroughly reviewed its impact annually. In 2026, this strategy will be revisited and adapted to the wants and needs of our beneficiaries and the challenges this might pose to the organisation.

The Executive Implementation plan is derived from the strategic objectives and is monitored and its impact measured, in regular reviews. Especially the communication efforts detailed in the Strategic Plan have exceeded targets and have contributed to increased uptake of the Charity's support offer to its beneficiaries as well as regular giving. In 2026 we will move our digital communications to the Military App, which will further blend the Charity's communications with those of the wider Corps, ensuring that messages are clearly and timely disseminated to the entire REME Family.

The Charity's vision:

"Our vision is to be the source of support, belonging and connection to the REME Family, now and always".

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

A series of strategic objectives, whose fulfilment, taken together, will realise the Charity's vision, are expressed as an end state for the charity at the conclusion of the plan. The end state will be a charity that:

- Is known, relevant and trusted by the whole REME Family and other organisations;
- Balances its outputs today with financial resilience tomorrow;
- Exists to enhance the wellbeing of the many and of the one;
- Promotes and enhances the reputation and legacy of the Corps; and
- Presents and promotes Corps heritage to engender a sense of belonging and identity.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with 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 Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

The REME Charity

Report of the Trustees

For the year ended 31 December 2025

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 May 2026 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'C.P.P.' followed by a flourish.

Brigadier Clare Phillips CBE - Chair

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2025 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, 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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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 statements 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees of the parent charity were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of 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.

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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 ISAs (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 the 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

The REME Charity

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dougal Howard

Date: 26 May 2026

Dougal Howard ACA

(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The REME Charity

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2025

	Note	Restricted £	Unrestricted £	2025 Total £	Restated 2024 Total £
Income from:					
Donations and legacies	3	610,935	1,440,386	2,051,321	1,983,224
Charitable activities	5	-	107,495	107,495	108,811
Other trading activities	6	124,494	366,190	490,684	312,087
Investments	7	-	422,124	422,124	427,715
Total income		<u>735,429</u>	<u>2,336,195</u>	<u>3,071,624</u>	<u>2,831,837</u>
Expenditure on:					
Raising funds		-	451,197	451,197	305,774
Charitable activities:					
Benevolence grants		36,585	620,454	657,039	582,679
Esprit de corps		492,262	746,886	1,239,148	1,214,118
Museum		-	622,597	622,597	569,417
Total expenditure	8	<u>528,847</u>	<u>2,441,134</u>	<u>2,969,981</u>	<u>2,671,988</u>
Net income / (expenditure) before investment gains / (losses)		206,582	(104,939)	101,643	159,849
Net gains on investments	16	<u>9,779</u>	<u>403,889</u>	<u>413,668</u>	<u>1,226,604</u>
Net income		216,361	298,950	515,311	1,386,453
Transfers between funds		<u>(32,310)</u>	<u>32,310</u>	<u>-</u>	<u>-</u>
Net movement in funds	9	184,051	331,260	515,311	1,386,453
Reconciliation of funds:					
Total funds brought forward		<u>509,711</u>	<u>18,685,568</u>	<u>19,195,279</u>	<u>17,808,826</u>
Total funds carried forward		<u><u>693,762</u></u>	<u><u>19,016,828</u></u>	<u><u>19,710,590</u></u>	<u><u>19,195,279</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

The prior period statement of financial activities has been restated due to a change in accounting policy as described in note 28 to the financial statements.

The REME Charity

Consolidated balance sheets

As at 31 December 2025

	Note	The group 2025 £	Restated The group 2024 £	The charity 2025 £	Restated The charity 2024 £
Fixed assets					
Tangible assets	13	875,652	865,813	627,542	616,667
Heritage assets	14	2,114,459	2,114,459	747,361	747,361
Mixed motive investments	15	41,354	41,354	41,354	41,354
Fixed asset investments	16	15,991,499	15,570,335	15,991,499	15,570,335
		<u>19,022,964</u>	<u>18,591,961</u>	<u>17,407,756</u>	<u>16,975,717</u>
Current assets					
Stock	17	248,998	241,629	172,695	166,134
Debtors	18	137,146	122,471	194,765	161,822
Cash at bank and in hand		547,911	360,522	452,904	233,970
		<u>934,055</u>	<u>724,622</u>	<u>820,364</u>	<u>561,926</u>
Liabilities					
Creditors due within 1 year	19	(233,325)	(108,200)	(558,397)	(430,536)
Net current assets		<u>700,730</u>	<u>616,422</u>	<u>261,967</u>	<u>131,390</u>
Total assets less current liabilities		<u>19,723,694</u>	<u>19,208,383</u>	<u>17,669,723</u>	<u>17,107,107</u>
Creditors due after more than 1 year	19	(13,104)	(13,104)	(13,104)	(13,104)
Net assets	21	<u>19,710,590</u>	<u>19,195,279</u>	<u>17,656,619</u>	<u>17,094,003</u>
Funds	22				
Restricted funds		693,762	509,711	691,437	507,386
Unrestricted funds					
Designated funds		1,901,646	2,098,947	-	150,000
General funds		17,115,182	16,586,621	16,965,182	16,436,617
Total charity funds		<u>19,710,590</u>	<u>19,195,279</u>	<u>17,656,619</u>	<u>17,094,003</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 May 2026 and signed on their behalf by

Brigadier Clare Phillips CBE - Chair

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2025

	2025 £	Restated 2024 £
Cash flows from operating activities:		
Net movement in funds	515,311	1,386,453
Adjustments for:		
Depreciation charges	91,503	86,344
Gains on investments	(413,668)	(1,226,604)
Dividends, interest and rents from investments	(422,124)	(427,715)
Increase in stock	(7,369)	(8,767)
(Increase) / decrease in debtors	(14,675)	33,174
Increase in creditors	125,125	14,251
Net cash used in operating activities	(125,897)	(142,864)
Cash flows from investing activities:		
Dividends, interest and rents from investments	422,124	427,715
Purchase of tangible fixed assets	(101,342)	(17,985)
Purchase of heritage assets	-	(188,685)
Purchase of investments	(27,200)	(259,429)
Disposal proceeds on sale of fixed asset investments	19,704	263,018
Net cash provided by investing activities	313,286	224,634
Increase in cash and cash equivalents in the year	187,389	81,770
Cash and cash equivalents at the beginning of the year	360,522	278,752
Cash and cash equivalents at the end of the year	547,911	360,522

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies

a) Basis of preparation

The REME Charity is a charitable company limited by guarantee registered in England and Wales. The registered office address is:

The REME Charity
Regimental Headquarters REME
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The REME Charity 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 policies.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiaries, The Corps of Royal Electrical and Mechanical Engineers Museum (charity registration number 272740) and The REME Trading Company Limited (company number 10258502) on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent and its subsidiaries are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

In accordance with Charity Commission guidance, all linked charities per a Scheme dated 28 October 2016 are required to be reported as restricted funds. The linked charities comprise:

- Royal Electrical and Mechanical Engineers Central Charitable Trust (charity no. 1165868-1);
- The Royal Electrical and Mechanical Engineers' Benevolent Fund (charity no. 1165868-2);
- Royal Electrical and Mechanical Engineers' Hotel Fund (charity no. 1165868-3 - now closed and removed from the register); and
- The General Fund of the Royal Electrical and Mechanical Engineers Sports Association (charity no. 1165868-4).

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity and group is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received for advertising in advance of publication is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on the proportion of direct costs, as follows:

	2025	2024
Raising funds	15.2%	11.4%
Charitable activities:		
Benevolence grants	22.1%	21.9%
Esprit de corps	41.7%	45.4%
Museum	21.0%	21.3%

j) Grants payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

k) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Yachts	10 years straight line to residual value of £70,000
Furniture and motor vehicles	3 - 10 years straight line basis
Corps items	Not depreciated

Items of equipment are capitalised where the purchase price exceeds £2,000.

The REME Collection ("Corps items"), which has been built up over many years, reflects the wide range of artefacts ranging from wooden carvings, paintings, silver pieces, furniture and many trinkets and items of an ornamental nature. Corps items are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. Items are recorded at cost when an acquisition has been made by purchase, or fair value if obtained via donation, which is subsequently treated as the deemed cost.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

l) Heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'.

Heritage assets are held at historic cost. This represents a change in accounting policy from the prior year; see note 28 for full details of the impact, and below for further details.

The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. All heritage assets are reviewed for impairment annually and any charge taken to the SoFA.

Only items valued at more than £3,000 are capitalised as heritage assets on acquisition.

Change in accounting policy

During the year, the trustees reviewed the appropriateness of the measurement basis for heritage assets and concluded that a cost-based approach provides more reliable and relevant information to the users of the financial statements.

Given the scale and diversity of the collection (in excess of 130,000 items), obtaining regular, comprehensive valuations would involve disproportionate cost and effort. In addition, many items are unique and lack active markets, resulting in valuations that are inherently subjective and of limited reliability. The assets are held for their service potential in furtherance of the charity's objectives and are not held for sale; accordingly, current value information is of limited relevance to users of the financial statements.

The change has therefore been made in accordance with FRS 102 Section 10 on the basis that it results in more reliable and relevant information. The change in policy has been applied retrospectively; the carrying value of heritage assets at the date of transition to the current accounting framework (y/e 31 December 2014) has been treated as deemed cost, with later additions included at purchase price or fair value at the date of acquisition.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

m) Mixed motive investments

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Fine art is held at fair value.

n) Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

o) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) Debtors

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

q) Cash at bank and in hand

Cash at bank and cash 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.

r) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charitable company 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.

t) Pension costs

The charitable company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

u) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

v) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1k to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

2. Prior period comparatives: statement of financial activities (restated)

	Restricted £	Unrestricted £	2024 Total £
Income from:			
Donations and legacies	559,683	1,423,541	1,983,224
Charitable activities	-	108,811	108,811
Other trading activities	77,617	234,470	312,087
Investments	-	427,715	427,715
Total income	637,300	2,194,537	2,831,837
Expenditure on:			
Raising funds	2,419	303,355	305,774
Charitable activities:			
Benevolence grants	62,113	520,566	582,679
Esprit de corps	393,447	820,671	1,214,118
Museum	92,422	476,995	569,417
Total expenditure	550,401	2,121,587	2,671,988
Net income / (expenditure) before investment gains	86,899	72,950	159,849
Net gains on investments	28,692	1,197,912	1,226,604
Net income	115,591	1,270,862	1,386,453
Transfers between funds	(148,605)	148,605	-
Net movement in funds	(33,014)	1,419,467	1,386,453

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

3. Income from donations and legacies

	Restricted £	Unrestricted £	2025 Total £
Subscriptions - retired officers	8,217	-	8,217
Subscriptions - serving officers	137,027	137,027	274,054
Subscriptions - museum (gold card)	-	84,249	84,249
Subscriptions - other ranks	51,767	739,059	790,826
Sports association grants	13,055	-	13,055
MOD grant in aid	-	205,314	205,314
Other donations	198,696	63,730	262,426
Legacies	202,173	-	202,173
Donated investment management services	-	9,614	9,614
Donated services and facilities *	-	201,393	201,393
Total income from donations and legacies	610,935	1,440,386	2,051,321

Prior period comparative

	Restricted £	Unrestricted £	2024 Total £
Subscriptions - retired officers	8,736	-	8,736
Subscriptions - serving officers	137,620	137,620	275,240
Subscriptions - museum (gold card)	-	84,522	84,522
Subscriptions - other ranks	51,409	662,071	713,480
Sports association grants	48,220	-	48,220
MOD grant in aid	-	197,753	197,753
Other donations	306,519	91,252	397,771
Legacies	7,179	-	7,179
Donated investment management services	-	35,640	35,640
Donated services and facilities *	-	214,683	214,683
Total income from donations and legacies	559,683	1,423,541	1,983,224

* Donated services and facilities consists of:

	2025 £	2024 £
Donated staff time	158,963	186,006
Donated facilities - office premises, equipment and utilities	42,430	28,677
	201,393	214,683

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence, the National Lottery Heritage Fund, and Arts Council England (via the Victoria and Albert Museum) to fund charitable activities. The total value of such grants in the period ending 31 December 2025 was £346,105 (2024: £356,785). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

	Restricted £	Unrestricted £	2025 Total £
Museum admission	-	99,939	99,939
Children's activities	-	6,228	6,228
Museum research	-	1,328	1,328
Total income from charitable activities	-	107,495	107,495

Prior period comparative

	Restricted £	Unrestricted £	2024 Total £
Museum admission	-	99,254	99,254
Children's activities	-	8,023	8,023
Museum research	-	1,534	1,534
Total income from charitable activities	-	108,811	108,811

6. Income from other trading activities

	Restricted £	Unrestricted £	2025 Total £
REME trading income	-	321,692	321,692
Sponsorship	119,464	500	119,964
Other fundraising	5,030	43,998	49,028
Total income from other trading activities	124,494	366,190	490,684

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

6. Income from other trading activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2024 Total £
REME trading income	-	188,396	188,396
Sponsorship	61,300	1,000	62,300
Other fundraising	16,317	45,074	61,391
Total income from other trading activities	77,617	234,470	312,087

7. Income from investments

	Restricted £	Unrestricted £	2025 Total £
Income from listed investments	-	414,557	414,557
Bank interest	-	7,567	7,567
Total income from investments	-	422,124	422,124

Prior period comparative:

	Restricted £	Unrestricted £	2024 Total £
Income from listed investments	-	422,500	422,500
Bank interest	-	5,215	5,215
Total income from investments	-	427,715	427,715

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

8. Total expenditure

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2025 Total £
REME Museum	-	-	-	49,800	-	49,800
REME Institution	-	-	1,000	-	-	1,000
REME Trading	175,690	-	-	-	-	175,690
Officers Mess functions and costs	-	-	15,143	-	-	15,143
Grants payable (note 12)	-	504,873	750,345	-	-	1,255,218
REME Sports	-	-	618	-	-	618
Association events and costs	-	-	59,369	-	-	59,369
Office expenses	-	-	26,794	5,942	97,325	130,061
Repairs and maintenance	-	-	-	-	1,891	1,891
Depreciation	-	-	-	61,378	30,125	91,503
Fundraising costs	1,205	-	-	-	-	1,205
Publication costs	-	-	68,180	-	-	68,180
Staff costs (note 10)	235,779	96,068	211,903	452,321	29,055	1,025,126
Insurance	-	-	-	-	21,579	21,579
Trustee expenses	-	-	-	-	682	682
Donated facilities	-	-	-	-	42,430	42,430
Legal and professional	-	-	-	-	30,486	30,486
Sub-total	412,674	600,941	1,133,352	569,441	253,573	2,969,981
Allocation of support and governance costs	38,523	56,098	105,796	53,156	(253,573)	-
Total expenditure	451,197	657,039	1,239,148	622,597	-	2,969,981

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

8. Total expenditure - prior period comparative

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2024 Total £
REME Museum	-	-	-	34,335	-	34,335
REME Trading	145,643	-	-	-	-	145,643
Officers Mess functions and costs	-	-	10,180	-	-	10,180
Grants payable (note 12)	-	434,973	710,991	-	-	1,145,964
REME Sports	-	-	28,141	-	-	28,141
Association events and costs	-	-	48,736	-	-	48,736
Office expenses	-	-	26,363	3,184	105,167	134,714
Repairs and maintenance	-	-	-	-	12,296	12,296
Depreciation	-	-	-	62,987	23,357	86,344
Fundraising costs	658	-	-	-	-	658
Publication costs	-	-	67,178	-	-	67,178
Staff costs (note 10)	130,447	92,393	207,275	414,858	30,910	875,883
Insurance	-	-	-	-	18,121	18,121
Trustee expenses	-	-	-	-	8,949	8,949
Donated facilities	-	-	-	-	28,677	28,677
Legal and professional	-	-	-	-	26,169	26,169
Sub-total	276,748	527,366	1,098,864	515,364	253,646	2,671,988
Allocation of support and governance costs	29,026	55,313	115,254	54,053	(253,646)	-
Total expenditure	305,774	582,679	1,214,118	569,417	-	2,671,988

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

9. Net movement in funds

This is stated after charging:

	2025 £	2024 £
Depreciation	91,503	87,430
Loss on disposal of assets	-	25,770
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	682	4,354
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	22,500	20,000
▪ Consultancy	-	253
▪ Corporation tax return	350	350

Trustees' reimbursed expenses comprise travel, subsistence and accommodation costs relating to 1 trustee (2024: 4 trustees).

Total governance costs were £25,642 (2024: £27,154).

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

10. Staff costs and numbers

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	760,298	609,747
Social security costs	75,560	51,030
Pension costs	15,793	14,098
Donated salaries	158,963	186,006
Freelance staff	14,512	15,002
	1,025,126	875,883

One employee earned between £60,000 and £70,000 during the year (2024: one employee).

The key management personnel of the charitable company comprise the CEO and Museum Director. The total employee benefits of the key management personnel paid by the charity were £134,878 (2024: £129,786).

	2025 No.	2024 No.
Average number of employees (head count):	40	29

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Grants payable

	Individuals £	Institutions £	Total 2025 £
Benevolence	291,345	111,523	402,868
REME Sports	-	449,634	449,634
Discretionary grants	-	153,562	153,562
Adventurous and enterprising activities	-	98,279	98,279
REME Corps Sergeants' Mess	-	27,494	27,494
Officers Mess	-	21,661	21,661
Service Charities Equality Insights Programme	-	100,481	100,481
REME Reservists	-	1,239	1,239
	<u>291,345</u>	<u>963,873</u>	<u>1,255,218</u>

Prior period comparative

	Individuals £	Institutions £	Total 2024 £
Benevolence	286,441	97,603	384,044
REME Sports	-	357,145	357,145
Discretionary grants	-	200,156	200,156
Adventurous and enterprising activities	-	86,116	86,116
REME Corps Sergeants' Mess	-	42,530	42,530
Officers Mess	-	25,044	25,044
Service Charities Equality Insights Programme	-	50,929	50,929
	<u>286,441</u>	<u>859,523</u>	<u>1,145,964</u>

The charity's grant making activities are characterised by large numbers of small grants, paid to support serving and retired soldiers and officers of the REME Corps. The total grants made to individuals in the current year was 427 (2024: 524). Individual grants are rarely made direct to the individual beneficiary. Grants are usually processed via a third party organisation such as the Army Benevolent Fund; the Soldiers' Charity (ABF), The Sailors, Soldiers and Air Force Institution (SSAFA), or the Royal British Legion (RBL). If the beneficiary is a serving soldier, a grant is processed through the unit welfare organisation.

The trustees consider all grants paid to institutions over £50,000, which require trustee board approval, to be material in the context of the accounts. There were no grants paid over this amount in 2025 or 2024. There were no other committed grants at 31 December 2025. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

13. Tangible fixed assets

Group	Yachts £	Furniture £	Motor Vehicles £	Restated Corps items £	Total £
Cost					
At 1 January 2025	280,000	907,047	-	375,821	1,562,868
Additions in year	-	60,342	37,500	3,500	101,342
At 31 December 2025	280,000	967,389	37,500	379,321	1,664,210
Depreciation					
At 1 January 2025	111,000	586,055	-	-	697,055
Charge for the year	9,500	74,972	7,031	-	91,503
At 31 December 2025	120,500	661,027	7,031	-	788,558
Net book value					
At 31 December 2025	159,500	306,362	30,469	379,321	875,652
At 31 December 2024	169,000	320,992	-	375,821	865,813
Charity					
Cost					
At 1 January 2025	280,000	137,252	-	375,821	793,073
Additions in year	-	-	37,500	3,500	41,000
At 31 December 2025	280,000	137,252	37,500	379,321	834,073
Depreciation					
At 1 January 2025	111,000	65,406	-	-	176,406
Charge for the year	9,500	13,594	7,031	-	30,125
At 31 December 2025	120,500	79,000	7,031	-	206,531
Net book value					
At 31 December 2025	159,500	58,252	30,469	379,321	627,542
At 31 December 2024	169,000	71,846	-	375,821	616,667

Assets which are of significance to the Corps but do not meet the definition of heritage assets are held as non-depreciable tangible fixed assets. The value of Corps items at 1 January 2025 has been restated to reflect a reclassification of assets between heritage assets and Corps as described in note 28 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

14. Heritage assets

	The group		The charity	
	2025	Restated 2024	2025	Restated 2024
	£	£	£	£
At 1 January 2025	2,114,459	1,925,774	747,361	708,676
Additions	-	188,685	-	38,685
At 31 December 2025	<u>2,114,459</u>	<u>2,114,459</u>	<u>747,361</u>	<u>747,361</u>

All heritage assets are deemed to be measured at historic cost. This is a change in accounting policy in the current period, and has been applied retrospectively to the opening cost of heritage assets in the prior period. The majority of heritage assets are donated items which are recognised on receipt at deemed cost at acquisition. In addition, there was a material reclassification of assets held by the charity from tangible fixed assets (Corps Items) into heritage assets, which has also been applied to the opening cost in the prior period. Both changes are described in full at note 28.

Five year summary of heritage asset transactions:

	2025	Restated 2024	Restated 2023	2022	Restated 2021
	£	£	£	£	£
Additions:					
Purchases	-	188,685	11,140	24,000	10,800
Donations	-	-	-	33,000	68,190
Total additions	<u>-</u>	<u>188,685</u>	<u>11,140</u>	<u>57,000</u>	<u>78,990</u>
Disposals:					
Carrying value	-	(5,250)	(815,558)	(184,180)	
Proceeds	-	-	-	-	-

During 2022, the REME Charity and the REME Museum de-recognised all heritage assets with a value less than £3,000 and this resulted in an extraordinary disposal of heritage assets during the year ended 31 December 2022. This was a one-time occurrence and no assets were sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

The REME Charity heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'. Other assets are of significance to the Corps but are not held as heritage assets. These items are held as non-depreciable tangible fixed assets.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

14. Heritage assets (continued)

The REME Museum heritage assets

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

The charity's collections comprise over 130,000 items, this includes accessioned items and items held as E numbers yet to be accessioned. Items are held at historic cost and capitalised where the cost or deemed cost on acquisition is at least £3,000.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

15. Mixed motive investments

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
At 1 January 2025	41,354	41,354	41,354	41,354
Revaluations	-	-	-	-
Disposals	-	-	-	-
At 31 December 2025	<u>41,354</u>	<u>41,354</u>	<u>41,354</u>	<u>41,354</u>

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. The fine art collection is held at fair value and will be revalued every 5 years.

16. Fixed asset investments (group and charity)

	2025	2024
	£	£
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2025	-	263,208
Disposals	-	(263,018)
Net gains	-	(190)
As at 31 December 2025	<u>-</u>	<u>-</u>
Sarasin Funds - listed		
Market value at 1 January 2025	15,570,335	14,084,112
Additions	15,933,832	259,429
Disposals	(15,926,336)	-
Net gains	<u>413,668</u>	<u>1,226,794</u>
As at 31 December 2025	<u>15,991,499</u>	<u>15,570,335</u>

All investments were listed investments at 31 December 2024 and 31 December 2025.

Included within investments are amounts held for the benefit of other REME organisations, as follows:

	2025	2024	Market value	
	%	%	2025	2024
			£	£
REME Museum	2.3226%	2.3226%	<u>371,418</u>	<u>361,639</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

17. Stock

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
REME Trading stock for resale	76,303	75,495	-	-
Finished goods including wine	172,695	166,134	172,695	166,134
	<u>248,998</u>	<u>241,629</u>	<u>172,695</u>	<u>166,134</u>

18. Debtors

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	9,487	7,866	7,567	7,866
Prepayments and accrued income	122,406	112,362	100,796	91,713
Other debtors	5,253	185	5,253	185
Funds held as an agent (note 20)	-	2,058	-	2,058
Amounts owed by subsidiary undertakings	-	-	81,149	60,000
	<u>137,146</u>	<u>122,471</u>	<u>194,765</u>	<u>161,822</u>

Included in amounts owed by subsidiary undertakings is £60,000 due in more than 1 year (2024: £60,000).

19. Creditors

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Due in less than 1 year:				
Trade creditors	56,169	37,591	52,973	37,591
Social security and other taxes	16,423	14,138	16,423	12,154
Accruals	48,559	35,159	26,221	21,806
Other creditors	23,239	14,046	9,930	13,914
Deferred income	53,975	7,266	53,975	7,266
Funds held as an agent (note 20)	34,960	-	34,960	-
Amounts due to subsidiary undertakings	-	-	363,915	337,805
	<u>233,325</u>	<u>108,200</u>	<u>558,397</u>	<u>430,536</u>
Due in more than 1 year:				
Other creditors	13,104	13,104	13,104	13,104

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

20. Funds held as an agent

During the year, the charity acted as custodian trustee for funds received by some of the sports clubs and Messes' linked to the REME Charity. An analysis of the funds received and paid by the charity is given below, and these fund balances are included in creditors (note 19).

	Funds held at 1 January 2025 £	Funds received £	Funds paid £	Funds held at 31 December 2025 £
REME sports	(6,100)	25,750	(153)	19,497
REME Institution	420	6,914	(7,334)	-
REME Officers' Mess	1,995	2,720	(2,083)	2,632
Other organisations	1,627	5,420	(6,345)	702
REME Yacht Club	-	13,129	(1,000)	12,129
At 31 December 2025	<u>(2,058)</u>	<u>40,804</u>	<u>(16,915)</u>	<u>34,960</u>

21. Analysis of group net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	248,111	627,541	875,652
Heritage assets	-	1,367,098	747,361	2,114,459
Mixed motive investments	-	-	41,354	41,354
Fixed asset investments	371,418	-	15,620,081	15,991,499
Current assets	322,344	286,437	325,274	934,055
Current liabilities	-	-	(233,325)	(233,325)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2025	<u>693,762</u>	<u>1,901,646</u>	<u>17,115,182</u>	<u>19,710,590</u>

Prior year comparative - restated

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	249,145	910,078	865,813
Heritage assets	-	1,217,098	897,361	2,114,459
Mixed motive investments	-	-	41,354	41,354
Fixed asset investments	361,639	-	15,208,696	15,570,335
Current assets	148,072	482,703	253,696	724,622
Current liabilities	-	-	(108,200)	(108,200)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2024	<u>509,711</u>	<u>2,098,947</u>	<u>16,586,621</u>	<u>19,195,279</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

22. Movements in funds

	At 1 January 2025 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2025 £
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	361,639	-	-	9,779	-	371,418
Service Charities Equality Insights Programme	10,503	96,962	(103,390)	-	-	4,075
Minibus	-	32,310	-	-	(32,310)	-
Pearce Fund	-	203,629	(1,105)	-	-	202,524
<i>Linked entities:</i>						
REME Benevolent Fund	-	32,609	(32,609)	-	-	-
HQ Officers Mess	35,497	82,876	(103,134)	-	-	15,239
REME Sports Association	-	168,590	(168,590)	-	-	-
REME Institution	85,678	66,197	(68,604)	-	-	83,271
REME Sergeants' Mess	14,069	52,256	(51,415)	-	-	14,910
<i>REME Museum:</i>						
British Museum Project	2,325	-	-	-	-	2,325
Total restricted funds	509,711	735,429	(528,847)	9,779	(32,310)	693,762

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

22. Movements in funds (continued)

	At 1 January 2025 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2025 £
Total restricted funds	509,711	735,429	(528,847)	9,779	(32,310)	693,762
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	1,487,785	336,322	(453,365)	-	139,850	1,510,592
Museum - development	429,934	90,932	(136,411)	-	-	384,455
REME Trading	31,228	321,692	(383,299)	-	36,978	6,599
REME Yacht Club Hulls	150,000	-	-	-	(150,000)	-
<i>Total designated funds</i>	<u>2,098,947</u>	<u>748,946</u>	<u>(973,075)</u>	<u>-</u>	<u>26,828</u>	<u>1,901,646</u>
General funds	16,586,621	1,587,249	(1,468,059)	403,889	5,482	17,115,182
Total unrestricted funds	<u>18,685,568</u>	<u>2,336,195</u>	<u>(2,441,134)</u>	<u>403,889</u>	<u>32,310</u>	<u>19,016,828</u>
Total funds	<u><u>19,195,279</u></u>	<u><u>3,071,624</u></u>	<u><u>(2,969,981)</u></u>	<u><u>413,668</u></u>	<u><u>-</u></u>	<u><u>19,710,590</u></u>

Transfers between funds represent the movement of group reserves between entities resulting from inter-group transactions and the release of the REME Hulls fund into general funds.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

22. Movements in funds (continued)

Purposes of restricted funds

Aliquot Shares

The REME Charity's investment portfolio was first created in 1985 from donations from a number of entities including the REME Museum. The Museum's percentage holding in the investment portfolio is expressed as an aliquot share holding.

Service Charities Equality Insights Programme

The Service Charities Equality Insights Programme (SCEIP) uses inclusive and intersectional lived data to reduce inequalities and diversify the outreach and impact of Service Charity programmes, enabling them to provide culturally-responsive support to all who have served, and establishing them as exemplars of diversity, equity, and inclusion.

Linked entities

The REME Charity was formed from the REME Charities in 2016. The antecedent charities are linked via a Charity Commission Scheme and are; The REME Central Charitable Trust (1165868-1) and the REME Benevolent Fund (1165868-2). The REME Sports Association charity (1165868-4) was linked to the REME Benevolent Fund, but it now linked to the REME Charity under the same scheme. Income in these funds represents donations specifically restricted to each area of the charity. Where total expenditure exceeds income available, expenditure is limited to the available restricted funds.

British Museum Project

This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Purposes of designated funds

Museum - general

The REME Museum is given an operating budget each year from the REME Charity.

Museum - development

The REME Development fund is to provide funding to develop the Museum. It is not to be spent on administration, but purely on developing exhibits, attracting visitors and generally improving the visitor experience.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

22. Movements in funds (continued)	At 1 January 2024 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2024 £
Prior period comparative (restated)						
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	331,552	-	-	28,692	1,395	361,639
Service Charities Equality Insights Programme	-	63,332	(52,829)	-	-	10,503
<i>Linked entities:</i>						
REME Benevolent Fund	-	43,000	(43,000)	-	-	-
HQ Officers Mess	35,722	82,290	(82,515)	-	-	35,497
REME Sports Association	-	170,607	(170,607)	-	-	-
REME Institution	146,523	66,984	(127,829)	-	-	85,678
REME Sergeants' Mess	26,603	52,055	(64,589)	-	-	14,069
<i>REME Museum:</i>						
British Museum Project	2,325	-	-	-	-	2,325
Conspicuous Gallantry Cross	-	159,032	(9,032)	-	(150,000)	-
Total restricted funds	542,725	637,300	(550,401)	28,692	(148,605)	509,711

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

22. Movements in funds (continued)
Prior period comparative (restated)

	At 1 January 2024 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2024 £
Total restricted funds	499,208	637,300	(550,401)	28,692	(148,605)	509,711
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	1,419,704	329,811	(411,192)	-	149,462	1,487,785
Museum - development	467,544	89,056	(126,666)	-	-	429,934
REME Trading	40,604	188,396	(236,174)	-	38,402	31,228
REME Yacht Club Hulls	130,000	-	-	-	20,000	150,000
<i>Total designated funds</i>	<u>2,057,852</u>	<u>607,263</u>	<u>(774,032)</u>	<u>-</u>	<u>207,864</u>	<u>2,098,947</u>
General funds	15,208,249	1,587,274	(1,347,555)	1,197,912	(59,259)	16,586,621
Total unrestricted funds	<u>17,266,101</u>	<u>2,194,537</u>	<u>(2,121,587)</u>	<u>1,197,912</u>	<u>148,605</u>	<u>18,685,568</u>
Total funds	<u><u>17,808,826</u></u>	<u><u>2,831,837</u></u>	<u><u>(2,671,988)</u></u>	<u><u>1,226,604</u></u>	<u><u>-</u></u>	<u><u>19,195,279</u></u>

The prior period opening funds and gains have been restated to reflect a change in accounting policy, as set out in note 28 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

23. Financial instruments at fair value

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Financial assets measured at fair value	<u>15,991,499</u>	<u>15,570,335</u>	<u>15,991,499</u>	<u>15,570,335</u>

Financial assets measured at fair value comprise fixed asset investments.

24. Operating lease commitments

The charity held no operating lease commitments in the current or prior period.

25. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £139,850 (2024: £149,426) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £363,915 was due to the REME Museum (2024: £337,805).

The REME Charity also has control of the REME Trading Company Limited (company registration no. 10258502). One employee and two of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2025 were £81,149 (2024: £54,889). In the prior year, The REME Charity provided a loan of £60,000 to the REME Trading Company. The REME Trading Company made sales of goods from the shop totalling £36,978 (2024: £38,402) to the REME Charity during the year.

26. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

The consolidated financial statements include the results of The Corps of Royal Electrical and Mechanical Engineers Museum (the REME Museum), charity number 272740. The REME Charity is deemed to have control over the REME Museum by having sole corporate trusteeship. The REME Museum contributes to the esprit de corps objects of The REME Charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

26. Subsidiary undertakings (continued)

Results for the period

	2025 £	Restated 2024 £
Gross income	567,104	727,362
Expenditure	<u>(589,777)</u>	<u>(546,890)</u>
Results for the year (excluding gains / losses)	<u>(22,673)</u>	<u>180,472</u>

Net assets

	2025 £	Restated 2024 £
Assets	2,063,222	2,862,254
Liabilities	<u>(15,850)</u>	<u>(14,982)</u>
Total museum funds	<u>2,047,372</u>	<u>2,847,272</u>

The REME Trading Company Limited

The consolidated financial statements include the results of The REME Trading Company Limited (REME Trading), company number 10258502. REME Trading was incorporated to operate the cafe and shop situated within the REME museum. The REME Charity is deemed to have control over REME Trading, the directors of REME Trading being key management personnel of The REME Charity.

Results for the period

	2025 £	2024 £
Turnover	358,670	226,798
Cost of sales	<u>(193,970)</u>	<u>(145,643)</u>
Gross profit	164,700	81,155
Administrative expenses	<u>(186,629)</u>	<u>(90,240)</u>
Operating profit / (loss)	(21,929)	(9,085)
Interest payable and similar charges	(2,700)	(630)
Tax on profit / (loss)	-	-
Profit for financial year	<u>(24,629)</u>	<u>(9,715)</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

26. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2025 £	2024 £
Assets	110,740	96,821
Liabilities	<u>(104,141)</u>	<u>(65,593)</u>
Total reserves	<u>6,599</u>	<u>31,228</u>

27. Parent charity

The parent charity's gross income and the results for the year are:

	2025 £	2024 £
Gross income	2,322,680	2,065,540
Surplus / (deficit) for the year (excluding gains / losses)	<u>148,947</u>	<u>(10,907)</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

28. Prior period adjustment

Prior period comparatives have been restated to account for the following change in accounting policy: heritage assets previously held under the revaluation model have been restated to be held under the historic cost model. This impacts the value of heritage assets at 31 December 2024, the value of funds brought forward at 1 January 2024 and carried forward at 31 December 2024, and gains / losses recognised in the year ended 31 December 2024. In addition, there was a material reclassification of assets held by the charity from tangible fixed assets (Corps Items) into heritage assets. This impacts the balances of both tangible fixed assets and heritage assets at 31 December 2024.

The effect of the restatements are set out below:

Group fund balances

	Restricted funds £	Designated funds £	General funds £	Total funds £
As originally stated at 1 January 2024	542,725	2,813,579	15,155,825	18,512,129
Change of accounting policy	-	(755,727)	52,424	(703,303)
Restated at 1 January 2024	<u>542,725</u>	<u>2,057,852</u>	<u>15,208,249</u>	<u>17,808,826</u>
As originally stated at 31 December 2024	509,711	2,876,174	16,534,197	19,920,082
Change of accounting policy	-	(777,227)	52,424	(724,803)
Restated at 31 December 2024	<u>509,711</u>	<u>2,098,947</u>	<u>16,586,621</u>	<u>19,195,279</u>

All adjustments impacting designated funds are made to the fund: *Museum - general*.

Charity fund balances

	Restricted funds £	Designated funds £	General funds £	Total funds £
As originally stated at 31 December 2024	507,386	150,000	16,384,193	17,041,579
Change of accounting policy	-	-	52,424	52,424
Restated at 31 December 2024	<u>507,386</u>	<u>150,000</u>	<u>16,436,617</u>	<u>17,094,003</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2025

28. Prior period adjustment (continued)

Asset valuations at 31 December 2024

	The group		The charity	
	Heritage assets £	Corps items £	Heritage assets £	Corps items £
As originally stated at 31 December 2024	2,545,852	669,231	401,526	669,232
Change of accounting policy	(724,803)	-	52,424	-
Reclassification of assets	<u>293,410</u>	<u>(293,410)</u>	<u>293,411</u>	<u>(293,411)</u>
Restated at 31 December 2024	<u><u>2,114,459</u></u>	<u><u>375,821</u></u>	<u><u>747,361</u></u>	<u><u>375,821</u></u>

Prior period group gains / losses

	Restricted funds £	Designated funds £	General funds £	Total funds £
As originally stated for the year to 31 December 2024	28,692	21,500	1,197,912	1,248,104
Reverse gains on revaluation of assets previously within 2024	<u>-</u>	<u>(21,500)</u>	<u>-</u>	<u>(21,500)</u>
Restated for year to 31 December 2024	<u><u>28,692</u></u>	<u><u>-</u></u>	<u><u>1,197,912</u></u>	<u><u>1,226,604</u></u>

All adjustments impacting designated funds are made to the fund: *Museum - general*.

THE REME CHARITY

England & Wales - Charity number 1165868

Accounts

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2024



The REME Charity

Reference and administrative details

For the year ended 31 December 2024

Company number 10036700

Charity number 1165868

Registered office and operational address The REME Charity
Regimental Headquarters REME
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Brig C P Phillips CBE	Chair
Maj Gen S M Andrews CBE	Chair - resigned 23 May 2024
Cmdr M Ashton RN	
Lt Col Abigail Brown	appointed 23 May 2024
Col M J A Bullard MBE	resigned 23 May 2024
Cap H Burns	
Mr J Foster	appointed 18 January 2024
Col (Retd) R Fram MC	
Maj P C D Hembury	
Mr T Hirst MSc CEng	
Col D G Scott ADC	
Maj A Shand CEng	appointed 1 March 2024
Col M A Simpson QVRM TD VR	resigned 23 May 2024
Mr P Tumim	

Chief executive officer and company secretary Mrs Barbel Harris

Bankers Holt's Military Banking
The Royal Bank of Scotland Plc
200 Fowler Avenue
Fowler Business Park
Farnborough
GU14 7JP

Sparkasse
Berliner Sparkasse
Alexanderplatz 2
10178 Berlin

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

The REME Charity

Reference and administrative details

For the year ended 31 December 2024

Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury Wilts SP1 2SB
Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

The REME Charity

Report of the Trustees

For the year ended 31 December 2024

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the Articles of Association of The REME Charity dated 2 March 2016. The trustees reviewed and amended the organisations Charity Governance Manual in 2023 (next review due 2025). The Corps of Royal Electrical and Mechanical Engineers (REME) has been supported by a charity since 1945. The REME inaugural charities were the REME Benevolent Fund and REME Scholarship funds. Over the years, these charities have been linked, closed and joined by others. Today, The REME Charity is the headline charity which has the REME Central Charitable Trust (296030-1), the REME Benevolent Fund (246967-1) and the REME Sports Association (246967-2) linked to it. The REME Museum (27240) is included in these group accounts as it is governed by the same Trustee Board and is administered by the REME Charity. The REME Trading Company is incorporated and is controlled by the Charity.

The REME Charity closely monitors the Corps' military operational activities and any additional support REME personnel, past or present, may require. Every spring, the Board revisits the Charity's strategy and mid-term objectives to ensure our activities meet those emerging needs and that we protect our long-term viability. To that end we regularly examine our impact metrics and administer surveys to remain relevant to our beneficiaries.

We strive to increase our reach and impact and good two-way communication with the REME Family. In 2024 we visited all 9 Battalions in their respective homes and attended Family Days and Health Fairs to become more visible to our beneficiaries.

Recruitment and appointment of Trustees

2024 saw the departure of long-standing Board members to make way for a new generation of Trustees as part of our diversification programme. Succession and further diversification remain an agenda item for our meetings and more work is planned to better reflect and represent the diversity amongst our beneficiaries.

New Trustees are offered training, access to newsletters and relevant literature and are supplied with pertinent information by the CEO to keep up to date with current regulatory, reporting and compliance related matters, thereby enabling them to fulfil their obligations.

Organisational structure and governance

The Board of Trustees is an independent decision-making governing body which meets at least twice a year. The board is led by a Chair. Trustees are given responsibility for different areas of the business and chair separate sub-committees to monitor performance and exercise governance. The Finance and Investment Committee meets quarterly. The execution of the day to day running of the business is delegated to the Chief Executive Officer, with delegated spending powers defined in the Governance Manual.

The REME Charity

Report of the Trustees

For the year ended 31 December 2024

Risk management

The Charity maintains a risk register which is reviewed biannually by a sub-committee. Risks are categorised in five main areas: Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. A reduction in income, both from the supporter base within the Corps through the Day's Pay Scheme (payroll giving), and a reduction in investment income due to volatile markets, poses the biggest risk to the Charity.

OBJECTS AND ACTIVITIES

Public benefit

We provide public benefit by assisting REME regular and reserve personnel to more effectively perform their roles and duties within the British Army. We support serving personnel's families and the retired veteran community and their families by enhancing esprit de corps through promoting the concept of support to the REME family for life. We do this by providing funding for benevolence, welfare, communications, activities, social gatherings and events. Our assistance enables Service personnel to face the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, mental wellbeing and morale.

We promote the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it, including the defence of the United Kingdom and its interests. By supporting the wider REME family we assist the Government in fulfilling its promise in the Armed Forces Covenant to treat serving personnel, veterans and their families fairly.

Through our support to the REME Museum, we preserve the heritage of the Corps of REME through collecting and conserving appropriate artefacts, memorabilia and memories for future generations and communicate the story of REME and the people who served in the Corps to the visiting public and to a wider audience on-line.

Objects

The REME Charity is independent of military authorities. It undertakes a crucial function as the needs and ambitions of the REME family go beyond the bounds of the resources and policies of the Army and MOD. The three pillars of our support to the Family are:

- 1) To promote the efficiency of REME and foster esprit de corps;
- 2) To relieve either generally or individually necessitous persons being members or former members of REME or their dependants (beneficiaries); and
- 3) To support charitable purposes for the benefit of beneficiaries.

These objects allow the charity to provide support to REME regular, reserve and retired personnel and their families. This is done through the provision of grants to groups or individuals and through fostering connections which promote REME efficiency, ethos and comradeship, giving members a sense of belonging to the REME Family.

STRATEGY

The Board of Trustees articulated the REME Charity Strategy 2022 – 2025, which details how the Charity aims to interpret and fulfil its objectives, prioritise resources and ensure capabilities for the next 3 years. It forms the basis of the workplan, recruitment and associated activities for the executive. The Strategy was reviewed and considered fit for purpose at the Spring 2024 workshop and continues to undergo regular reviews.

The REME Charity

Report of the Trustees

For the year ended 31 December 2024

2024 charitable objectives, themes and activities

Welfare

In 2024, the trend for the number of cases we supported stabilised somewhat from previous years. 2022 saw 376 cases, in 2023 we supported 451 and in 2024 we helped 461 individual cases. We attribute the 2023 increase to the Cost of Living crisis, as most applicants stated a lack of funds as the reason for their issues, and that remains the most prevalent reason in 2024. By far the majority of beneficiaries require assistance with extraordinary expenses, such as purchasing essential household appliances, especially in cases of relationship breakdown. This is closely followed by serving personnel asking for financial assistance towards compassionate travel. Our total financial support amounted to £386,743 (£408,695 in 2023; £227,632 in 2022), with average grants of £655 (£718 in 2024; £605 in 2022). The Board of Trustees recognises the immense contribution the Army Benevolent Fund makes to our welfare cases and in 2024 renewed our commitment to donate £85,000 in support of their welfare work.

The REME Responders, part of our flagship initiative 'Lifting the Decks', went from strength to strength. Founded in 2022, REME Responders stand ready to support their comrades. We have created good geographical coverage, able to spring into action, wherever support is needed. This can come in the shape of comrade visits, practical help with chores or transport, or result in a referral to specialist services. Over 180 volunteers offer a friendly ear, practical help and (re)connection with the wider REME Family, often preventing escalation and crises. The vast majority of volunteers are DBS checked and Safeguarding trained. The Responders also have a closed social media group, a regular newsletter and are offered training opportunities.

Counselling access, respite breaks, comrade visits and signposting to professional support continue to be offered under the mantle of the 'Lifting the Decks' programme, designed to tackle problems timely and presenting choice to the service user. In addition, the Corps Welfare Officer undertakes comrade visits, supporting REME Family members, and connects the REME Charity to the serving community.

'Lifting the Decks' has become an institution since its inception in 2021 and attracts major fundraising events, such as the 'Virtual 10k' in May and the 'Lifting the Decks Challenge' in October. Those events are led by serving REME soldiers and have raised £33,141 this year (£28,414 in 2023) whilst also helping to spread the support message more widely.

Esprit de Corps

The Charity supports serving REME soldiers' team sports, Adventurous Training and Enterprise, veteran reunions, Female REME Conferences, mess events and other gatherings to promote cohesion and a sense of belonging.

The budget for 2024 was adjusted to invest even more into our serving community but also to meet sharp increases in cost.

36 sports teams were allocated £358,435, an increase of 24,866 from 2023. The annual grassroots skiing event EXERCISE SUPREME GLACIER took place once again in December and resulted in a record number of REME skiers qualifying for the Army Championships. The Charity was happy to financially support this success.

The REME Charity

Report of the Trustees

For the year ended 31 December 2024

The REME Association held 7 RHQ led events in 2024. Nearly 200 veterans attended the annual Reunion in Warwick, and we had a great turnout of over 120 serving and reserve personnel, veterans and family members at the Corps Memorial event at the National Memorial Arboretum in late September.

61 bereaved families were supplied with coffin drapes, 41 Buglers, 44 Standard Bearers, berets, flags etc at veteran's funerals. Coffin drapes have been entrusted to the Scotland and the Northern Ireland branches of the REME Association to be supplied to funerals in their region. Buglers and Standard Bearers are volunteers who give up their time to honour their comrades. The service is coordinated by the Welfare team and is highly rated by bereaved families.

The REME Association Job Agency (RAJA) once again held two job fairs in 2024, one in the South (Lyneham) and one in the North (Catterick) of the UK. The events attracted over 161 companies and were attended by nearly 200 soldiers in their career transition period. The service supported 726 service leavers throughout the year.

The REME Association, the REME Institution, the REME Messes as well as the REME Museum receive annual grants from the Charity. Any unused funds return to the Charity.

'The Craftsman' magazine continued to be distributed to a 4,500 strong readership.

In 2024, the Board of Trustees decided to pause our contribution to the REME Arkwright Scholarship in order to fully evaluate its impact and value for money in 2025.

ACHIEVEMENTS AND PERFORMANCE

Income generation

The Charity successfully increased the percentage of Day's Pay Scheme contributors by 12% to 86.4% of regular soldiers and 96.8% of officers. Reservists participation went up by 10%. This constituted 34.9% of the overall income in 2024. The Charity is diversifying income streams and actively mitigating associated risks.

In 2024 the Charity was remembered in the wills of 3 REME veterans, amounting to legacy income of £7,179.

The Charity holds an account portfolio with Sarasin & Partners. Our investments with the Blackrock Armed Forces Income and Growth Fund were closed in 2024 and funds were transferred into our Sarasin & Partners portfolio.

At 31 December 2024 the Sarasin main portfolio stood at: £15,570,335 (2023: £14,084,112), resulting in an income of over £400k in 2024, which constitutes 15% of our annual income.

FINANCIAL REVIEW

Income

The total income of the REME Charity as of 31 December 2024 was: £2,831,837 which, in addition to income generation channels and activities mentioned above, includes £214,683 of services and facilities donated by the MoD.

The REME Charity

Report of the Trustees

For the year ended 31 December 2024

Expenditure

Expenditure for the year was £2,671,988 and comprised £1,214,118 in esprit de corps activity, £582,679 in grants, £569,417 on the museum, and £305,774 on income generation cost. Support costs of £253,646 were reallocated between headings as shown in note 8 on support costs.

Reserves policy

The Trustees review the reserves policy and quantum of related investments during the annual budgetary cycle in the autumn of each year. The aim is to ensure the amount held in reserves and investments is adequate to mitigate against potential financial threats and to provide a secure base to meet future requirements and fulfil the objectives of the Charity over the long term.

The Charity identified a number of risks potentially impacting current income streams:

- The Charity continues to be dependent on current members of the Corps supporting the Day's Pay Giving Scheme (48% of total income). Any major change in the structure or strength of the Corps could impact the levels of future support available to Corps members;
- The Charity is reliant on the MoD administering the Day's Pay Giving Scheme and for the provision of infrastructure, utilities, IT systems, office supplies and a proportion of staff costs. If these MoD donated services were to be withdrawn, the Charity would suffer a strategic shock for which adequate reserve provision should be made; and
- The performance of the Charity's investment portfolio is subject to global market movements. While the present value of the portfolio produces (generally) IRO 20% of total required income, the value and/or dividend income can fluctuate, potentially markedly, due to market volatility.

To mitigate the identified financial risks, adequate reserves are required to meet the Charity's objectives. Reserves should be able to meet potential strategic shocks and increases in demands whilst also enabling the Trustees to deliver the Charity's objectives. The Charity's commitment is to support the REME Family now and particularly in the future.

Therefore, the Trustees have assessed the level of reserves and related investments required to meet these contingencies and mitigate against the current risk profile, to be in the range of £18 million.

The Charity's reserves are composed of designated funds to secure long term support of the charitable objectives: Welfare & Benevolence (31%), Promoting the efficiency of the Armed Forces (10%), Sports and Adventurous Training (33%) and Esprit de Corps (15%). A further 11% is designated to cover future governance and administrative cost. These designations are based on historic demand levels.

Funds in deficit

The Charity has no deficits.

Financial position

The trustees consider that the assets held by the charity enable the fund to meet its foreseen future obligations. Given the charity's current level of reserves, including investment assets of over £15 million, the trustees consider that the charity will continue as a going concern at current spending levels for a period of at least 10 years from the date on which these financial statements are approved. The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(c) to the financial statements.

The REME Charity

Report of the Trustees

For the year ended 31 December 2024

Dependency on donors

The viability of the Charity is highly dependent on the goodwill and donations of REME serving soldiers and veterans, with their contribution making up over half of the Charity's income.

The Charity's targeted marketing campaigns and increased communications in 2023 and 2024 have led to increased support through payroll-giving (75% in 2023, 86% in 2024). The diversification of income streams through increased fundraising activity has further mitigated potential risk. Our plans for 2025 include a legacy and in-memoriam campaign.

Funds held as custodian trustee

No funds are held as custodian trustee.

PLANS FOR FUTURE PERIODS

The Board of Trustees devised the REME Charity Strategy 2022-2025 during a workshop in early 2022 and thoroughly reviewed its impact in spring 2023 and 2024.

The Executive Implementation plan is monitored and its impact measured in regular reviews. Especially the communication efforts detailed in the Strategic Plan have exceeded targets and have contributed to increased uptake of the Charity's support offer to its beneficiaries as well as regular giving. We enjoy a greater presence and increased interactivity, particularly on social media platforms, and REME Connect, the REME Family's website, received a complete overhaul.

The Charity's vision:

"Our vision is to be the source of support, belonging and connection to the REME Family, now and always".

A series of strategic objectives, whose fulfilment, taken together, will realise the Charity's vision, are expressed as an end state for the charity at the conclusion of the plan. The end state will be a charity that:

- Is known, relevant and trusted by the whole REME Family and other organisations;
- Balances its outputs today with financial resilience tomorrow;
- Exists to enhance the wellbeing of the many and of the one;
- Promotes and enhances the reputation and legacy of the Corps; and
- Presents and promotes Corps heritage to engender a sense of belonging and identity.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with 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 REME Charity

Report of the Trustees

For the year ended 31 December 2024

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 14 May 2025 and signed on their behalf by



Brigadier Clare Phillips CBE - Chair

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, 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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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 statements 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees of the parent charity were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of 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.

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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 ISAs (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 the 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

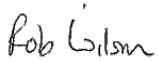
To the members of

The REME Charity

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 14 May 2025

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The REME Charity

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

	Note	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Income from:					
Donations and legacies	3	559,683	1,423,541	1,983,224	1,688,681
Charitable activities	5	-	108,811	108,811	93,832
Other trading activities	6	77,617	234,470	312,087	302,163
Investments	7	-	427,715	427,715	413,040
Total income		637,300	2,194,537	2,831,837	2,497,716
Expenditure on:					
Raising funds		2,419	303,355	305,774	262,586
Charitable activities:					
Benevolence grants		62,113	520,566	582,679	547,974
Esprit de corps		393,447	820,671	1,214,118	1,240,851
Museum		-	569,417	569,417	507,357
Total expenditure	8	550,401	2,121,587	2,671,988	2,558,768
Net income / (expenditure) before investment gains / (losses)		86,899	72,950	159,849	(61,052)
Net gains on investments	16	28,692	1,197,912	1,226,604	743,726
Net income / (expenditure)		115,591	1,270,862	1,386,453	682,674
Transfers between funds		(148,605)	148,605	-	-
Other recognised gains / (losses):					
Gains / (losses) on revaluation of heritage assets	14	-	21,500	21,500	(35,000)
Net movement in funds	9	(33,014)	1,440,967	1,407,953	647,674
Reconciliation of funds:					
Total funds brought forward		542,725	17,969,404	18,512,129	17,864,455
Total funds carried forward		509,711	19,410,371	19,920,082	18,512,129

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

The REME Charity

Consolidated balance sheets

As at 31 December 2024

	Note	The group 2024 £	Restated The group 2023 £	The charity 2024 £	Restated The charity 2023 £
Fixed assets					
Tangible assets	13	1,159,223	1,227,582	910,078	932,235
Heritage assets	14	2,545,852	2,335,667	401,526	362,841
Mixed motive investments	15	41,354	41,354	41,354	41,354
Fixed asset investments	16	15,570,335	14,347,320	15,570,335	14,347,320
		<u>19,316,764</u>	<u>17,951,923</u>	<u>16,923,293</u>	<u>15,683,750</u>
Current assets					
Stock	17	241,629	232,862	166,134	158,477
Debtors	18	122,471	155,645	161,822	172,975
Cash at bank and in hand		360,522	278,752	233,970	169,121
		<u>724,622</u>	<u>667,259</u>	<u>561,926</u>	<u>500,573</u>
Liabilities					
Creditors due within 1 year	19	(108,200)	(93,949)	(430,536)	(345,335)
Net current assets		<u>616,422</u>	<u>573,310</u>	<u>131,390</u>	<u>155,238</u>
Total assets less current liabilities		19,933,186	18,525,233	17,054,683	15,838,988
Creditors due after more than 1 year	19	(13,104)	(13,104)	(13,104)	(13,104)
Net assets	21	<u>19,920,082</u>	<u>18,512,129</u>	<u>17,041,579</u>	<u>15,825,884</u>
Funds	22				
Restricted funds		509,711	542,725	507,386	552,980
Unrestricted funds					
Designated funds		2,876,174	2,813,579	150,000	130,000
General funds		16,534,197	15,155,825	16,384,193	15,142,904
Total charity funds		<u>19,920,082</u>	<u>18,512,129</u>	<u>17,041,579</u>	<u>15,825,884</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Prior year funds have been restated to reflect the requirements of the Charities SORP and be comparable to the current year. See note 22 for further details.

Approved by the trustees on 14 May 2025 and signed on their behalf by



Brigadier Clare Phillips CBE - Chair

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2024

	2024	2023
	£	£
Cash used in operating activities:		
Net movement in funds	1,407,953	647,674
Adjustments for:		
Loss on the disposal of tangible assets	-	18,160
Depreciation charges	86,344	87,430
Loss on the disposal of heritage assets	-	5,250
Loss on the disposal of mixed motive investments	-	2,360
Revaluation (gains) / losses on heritage assets	(21,500)	35,000
Revaluation losses on tangible fixed assets	-	3,550
Revaluation gains on mixed motive investments	-	(490)
Gains on investments	(1,226,604)	(743,726)
Dividends, interest and rents from investments	(427,715)	(413,040)
Increase in stock	(8,767)	(18,147)
Decrease in debtors	33,174	8,441
Increase / (decrease) in creditors	14,251	(52,402)
Net cash used in operating activities	<u>(142,864)</u>	<u>(419,940)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	427,715	413,040
Purchase of tangible fixed assets	(17,985)	(19,917)
Purchase of heritage assets	(188,685)	(35,840)
Purchase of investments	(259,429)	(540,407)
Disposal proceeds on sale of fixed asset investments	263,018	-
Net cash provided by / (used in) investing activities	<u>224,634</u>	<u>(183,124)</u>
Increase / (decrease) in cash and cash equivalents in the year	81,770	(603,064)
Cash and cash equivalents at the beginning of the year	<u>278,752</u>	<u>881,816</u>
Cash and cash equivalents at the end of the year	<u><u>360,522</u></u>	<u><u>278,752</u></u>

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies

a) Basis of preparation

The REME Charity is a charitable company limited by guarantee registered in England and Wales. The registered office address is:

The REME Charity
Regimental Headquarters REME
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The REME Charity 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 notes for investments (notes m, n, o) and heritage assets (note l).

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiaries, The Corps of Royal Electrical and Mechanical Engineers Museum (charity registration number 272740) and The REME Trading Company Limited (company number 10258502) on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent and its subsidiaries are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

In accordance with Charity Commission guidance, all linked charities per a Scheme dated 28 October 2016 are required to be reported as restricted funds. The linked charities comprise:

- Royal Electrical and Mechanical Engineers Central Charitable Trust (charity no. 1165868-1);
- The Royal Electrical and Mechanical Engineers' Benevolent Fund (charity no. 1165868-2);
- Royal Electrical and Mechanical Engineers' Hotel Fund (charity no. 1165868-3 - now closed and removed from the register); and
- The General Fund of the Royal Electrical and Mechanical Engineers Sports Association (charity no. 1165868-4).

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received for advertising in advance of publication is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on the proportion of direct costs, as follows:

	2024	2023
Raising funds	11.4%	10.3%
Charitable activities:		
Benevolence grants	21.9%	21.4%
Esprit de corps	45.4%	48.5%
Museum	21.3%	19.8%

j) Grants payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

k) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Yachts	10 years straight line to residual value of £70,000
Furniture and equipment	3 - 10 years straight line basis
Corps items	Not depreciated

Items of equipment are capitalised where the purchase price exceeds £2,000.

The REME Collection ("Corps items"), which has been built up over many years, reflects the wide range of artefacts ranging from wooden carvings, paintings, silver pieces, furniture and many trinkets and items of an ornamental nature. Corps items are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. Items are initially recorded at cost when an acquisition has been made by purchase. The items are periodically revalued and any gain or loss arising on revaluation will be posted to the statement of financial activities. Methods of valuation are given in note 1 (l) below.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

l) Heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the silver and artwork and recourse to the many websites, trade magazines, auction houses and professional catalogues. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and occasionally written valuations are unavailable.

The assets are generally valued at 50% of insurance value. The heritage assets were not revalued in 2024 but during the year ended 31 December 2021 all artworks and silverware was revalued by Madley Associates, fellows of the National Association of Valuers and Auctioneers.

The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. All heritage assets are reviewed for impairment annually and any charge taken to the SoFA.

Only items valued at more than £3,000 will be capitalised as heritage assets.

m) Mixed motive investments

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Fine art is held at fair value.

n) Investment property

Investment properties are included in the balance sheet at fair value and are not depreciated. Changes in fair value are recognised in the statement of financial activities. Investment property is professionally revalued every two years, and informally reviewed for impairment annually.

o) Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

p) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

q) Debtors

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

r) Cash at bank and in hand

Cash at bank and cash 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.

s) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charitable company 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.

u) Pension costs

The charitable company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

v) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

w) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1k to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Revaluations

Heritage assets, mixed motive investments and investment property are stated at estimated fair value based on periodic valuations, as disclosed in notes 1l, 1m, 1n and 1o.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

2. Prior period comparatives: statement of financial activities (restated)

	Restricted £	Unrestricted £	2023 Total £
Income from:			
Donations and legacies	337,574	1,351,107	1,688,681
Charitable activities	-	93,832	93,832
Other trading activities	69,397	232,766	302,163
Investments	29,547	383,493	413,040
Total income	436,518	2,061,198	2,497,716
Expenditure on:			
Raising funds	2,419	260,167	262,586
Charitable activities:			
Benevolence grants	62,113	485,861	547,974
Esprit de corps	393,447	847,404	1,240,851
Museum	-	507,357	507,357
Total expenditure	457,979	2,100,789	2,558,768
Net expenditure before investment gains	(21,461)	(39,591)	(61,052)
Net gains on investments	27,958	715,768	743,726
Net income	6,497	676,177	682,674
Transfers between funds	-	-	-
Other recognised gains / (losses):			
Losses on revaluation of heritage assets	-	(35,000)	(35,000)
Net movement in funds	6,497	641,177	647,674

There has been a restatement impacting transfers between funds and the split between restricted and unrestricted net gains on investments. See note 22 for further details.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

3. Income from donations and legacies

	Restricted £	Unrestricted £	2024 Total £
Subscriptions - retired officers	8,736	-	8,736
Subscriptions - serving officers	137,620	137,620	275,240
Subscriptions - museum (gold card)	-	84,522	84,522
Subscriptions - other ranks	51,409	662,071	713,480
Sports association grants	48,220	-	48,220
MOD grant in aid	-	197,753	197,753
Other donations	306,519	91,252	397,771
Legacies	7,179	-	7,179
Donated investment management services	-	35,640	35,640
Donated services and facilities *	-	214,683	214,683
Total income from donations and legacies	559,683	1,423,541	1,983,224

Prior period comparative

	Restricted £	Unrestricted £	2023 Total £
Subscriptions - retired officers	13,432	-	13,432
Subscriptions - serving officers	135,752	135,752	271,504
Subscriptions - museum (gold card)	-	89,569	89,569
Subscriptions - other ranks	50,724	611,228	661,952
Sports association grants	18,391	-	18,391
MOD grant in aid	-	189,242	189,242
Other donations	96,743	100,119	196,862
Legacies	20,359	-	20,359
Donated investment management services	2,173	27,245	29,418
Donated services and facilities *	-	197,952	197,952
Total income from donations and legacies	337,574	1,351,107	1,688,681

* Donated services and facilities consists of:

	2024 £	2023 £
Donated staff time	186,006	169,278
Donated facilities - office premises, equipment and utilities	28,677	28,674
	214,683	197,952

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence, the National Lottery Heritage Fund, and Arts Council England (via the Victoria and Albert Museum) to fund charitable activities. The total value of such grants in the period ending 31 December 2024 was £356,785 (2023: £189,242). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

	Restricted £	Unrestricted £	2024 Total £
Museum admission	-	99,254	99,254
Children's activities	-	8,023	8,023
Museum research	-	1,534	1,534
Total income from charitable activities	-	108,811	108,811

Prior period comparative

	Restricted £	Unrestricted £	2023 Total £
Museum admission	-	83,565	83,565
Children's activities	-	8,009	8,009
Museum research	-	2,258	2,258
Total income from charitable activities	-	93,832	93,832

6. Income from other trading activities

	Restricted £	Unrestricted £	2024 Total £
REME trading income	-	188,396	188,396
Sponsorship	61,300	1,000	62,300
Other fundraising	16,317	45,074	61,391
Total income from other trading activities	77,617	234,470	312,087

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

6. Income from other trading activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2023 Total £
REME trading income	-	182,958	182,958
Sponsorship	69,017	1,000	70,017
Other fundraising	380	48,808	49,188
Total income from other trading activities	69,397	232,766	302,163

7. Income from investments

	Restricted £	Unrestricted £	2024 Total £
Income from listed investments	-	422,500	422,500
Bank interest	-	5,215	5,215
Total income from investments	-	427,715	427,715

Prior period comparative:

	Restricted £	Unrestricted £	2023 Total £
Income from listed investments	29,547	380,570	410,117
Bank interest	-	2,923	2,923
Total income from investments	29,547	383,493	413,040

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

8. Total expenditure

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2024 Total £
REME Museum	-	-	-	34,335	-	34,335
REME Trading	145,643	-	-	-	-	145,643
Officers Mess functions and costs	-	-	10,180	-	-	10,180
Grants payable (note 12)	-	434,973	710,991	-	-	1,145,964
REME Sports	-	-	28,141	-	-	28,141
Association events and costs	-	-	48,736	-	-	48,736
Office expenses	-	-	26,363	3,184	105,167	134,714
Repairs and maintenance	-	-	-	-	12,296	12,296
Depreciation	-	-	-	62,987	23,357	86,344
Fundraising costs	658	-	-	-	-	658
Publication costs	-	-	67,178	-	-	67,178
Staff costs (note 10)	130,447	92,393	207,275	414,858	30,910	875,883
Insurance	-	-	-	-	18,121	18,121
Trustee expenses	-	-	-	-	8,949	8,949
Donated facilities	-	-	-	-	28,677	28,677
Legal and professional	-	-	-	-	26,169	26,169
Sub-total	276,748	527,366	1,098,864	515,364	253,646	2,671,988
Allocation of support and governance costs	29,026	55,313	115,254	54,053	(253,646)	-
Total expenditure	305,774	582,679	1,214,118	569,417	-	2,671,988

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

8. Total expenditure - prior period comparative

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2023 Total £
REME Museum	-	-	-	20,082	-	20,082
REME Institution (Officers' club)	-	-	57,883	-	-	57,883
REME Trading	117,129	-	-	-	-	117,129
Officers Mess functions and costs	-	-	11,532	-	-	11,532
Grants payable (note 12)	-	402,880	655,809	-	-	1,058,689
REME Sports	-	-	16,496	-	-	16,496
Association events and costs	-	-	52,720	-	-	52,720
REME Corps Sergeants' Mess	-	-	24,411	-	-	24,411
Office expenses	-	-	8,910	665	116,356	125,931
Repairs and maintenance	-	-	-	-	5,000	5,000
Loss on disposal of assets	-	-	-	5,250	20,520	25,770
Depreciation	-	-	-	64,070	23,360	87,430
Fundraising costs	3,269	-	-	-	-	3,269
Publication costs	-	-	82,142	-	-	82,142
Staff costs (note 10)	115,048	88,459	202,700	364,852	27,124	798,183
Insurance	-	-	-	-	10,654	10,654
Trustee expenses	-	-	-	-	4,354	4,354
Donated facilities	-	-	-	-	28,977	28,977
Legal and professional	-	-	-	-	28,116	28,116
Sub-total	235,446	491,339	1,112,603	454,919	264,461	2,558,768
Allocation of support and governance costs	<u>27,140</u>	<u>56,635</u>	<u>128,248</u>	<u>52,438</u>	<u>(264,461)</u>	<u>-</u>
Total expenditure	<u>262,586</u>	<u>547,974</u>	<u>1,240,851</u>	<u>507,357</u>	<u>-</u>	<u>2,558,768</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

9. Net movement in funds

This is stated after charging:

	2024 £	2023 £
Depreciation	86,344	87,430
Loss on disposal of assets	-	25,770
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	8,949	4,354
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	20,000	19,000
▪ Consultancy	-	253
▪ Corporation tax return	350	350

Trustees' reimbursed expenses comprise travel, subsistence and accommodation costs relating to 4 trustees (2023: 5 trustees).

Total governance costs were £32,949 (2023: £27,154).

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

10. Staff costs and numbers

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	609,747	554,934
Social security costs	51,030	42,342
Pension costs	14,098	13,329
Donated salaries	186,006	168,975
Freelance staff	15,002	18,603
	875,883	798,183

One employee earned between £60,000 and £70,000 during the year (2023: one employee).

The key management personnel of the charitable company comprise the CEO and Museum Director. The total employee benefits of the key management personnel paid by the charity were £129,786 (2023: £122,728).

	2024 No.	2023 No.
Average number of employees (head count):	29	25

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Grants payable

	Individuals £	Institutions £	Total 2024 £
Benevolence	286,441	97,603	384,044
REME Sports	-	357,145	357,145
Discretionary grants	-	200,156	200,156
Adventurous and enterprising activities	-	86,116	86,116
REME Corps Sergeants' Mess	-	42,530	42,530
Officers Mess	-	25,044	25,044
Service Charities Equality Insights Programme	-	50,929	50,929
	<u>286,441</u>	<u>859,523</u>	<u>1,145,964</u>

Prior period comparative

	Individuals £	Institutions £	Total 2023 £
Benevolence	310,265	92,615	402,880
REME Sports	-	313,712	313,712
Discretionary grants	150	203,589	203,739
Adventurous and enterprising activities	-	88,347	88,347
REME Corps Sergeants' Mess	-	22,545	22,545
Officers Mess	-	27,466	27,466
	<u>310,415</u>	<u>748,274</u>	<u>1,058,689</u>

The charity's grant making activities are characterised by large numbers of small grants, paid to support serving and retired soldiers and officers of the REME Corps. The total grants made to individuals in the current year was 524 (2023: 451). Individual grants are rarely made direct to the individual beneficiary. Grants are usually processed via a third party organisation such as the Army Benevolent Fund; the Soldiers' Charity (ABF), The Sailors, Soldiers and Air Force Institution (SSAFA), or the Royal British Legion (RBL). If the beneficiary is a serving soldier, a grant is processed through the unit welfare organisation.

The trustees consider all grants paid to institutions over £50,000, which require trustee board approval, to be material in the context of the accounts. The total amount of grants paid over this amount in 2024 was 1, for £85,000, to the Army Benevolent Fund (2023: 1, for £85,000, to the Army Benevolent Fund). There were no other committed grants at 31 December 2024. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

13. Tangible fixed assets

Group	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2024	280,000	938,277	668,031	1,886,308
Additions in year	-	16,785	1,200	17,985
Disposals	-	(48,015)	-	(48,015)
Revaluations	-	-	-	-
At 31 December 2024	<u>280,000</u>	<u>907,047</u>	<u>669,231</u>	<u>1,856,278</u>
Depreciation				
At 1 January 2024	101,500	557,226	-	658,726
Charge for the year	9,500	76,844	-	86,344
Disposals	-	(48,015)	-	(48,015)
At 31 December 2024	<u>111,000</u>	<u>586,055</u>	<u>-</u>	<u>697,055</u>
Net book value				
At 31 December 2024	<u>169,000</u>	<u>320,992</u>	<u>669,231</u>	<u>1,159,223</u>
At 31 December 2023	<u>178,500</u>	<u>381,051</u>	<u>668,031</u>	<u>1,227,582</u>
Charity	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2024	280,000	137,252	668,032	1,085,284
Additions in year	-	-	1,200	1,200
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 31 December 2024	<u>280,000</u>	<u>137,252</u>	<u>669,232</u>	<u>1,086,484</u>
Depreciation				
At 1 January 2024	101,500	51,549	-	153,049
Charge for the year	9,500	13,857	-	23,357
Disposals	-	-	-	-
At 31 December 2024	<u>111,000</u>	<u>65,406</u>	<u>-</u>	<u>176,406</u>
Net book value				
At 31 December 2024	<u>169,000</u>	<u>71,846</u>	<u>669,232</u>	<u>910,078</u>
At 31 December 2023	<u>178,500</u>	<u>85,703</u>	<u>668,032</u>	<u>932,235</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

14. Heritage assets

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
At 1 January 2024	2,335,667	2,340,077	362,841	348,601
Additions	188,685	35,840	38,685	14,240
Disposals	-	(5,250)	-	-
Revaluations	21,500	(35,000)	-	-
At 31 December 2024	2,545,852	2,335,667	401,526	362,841

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

During 2022, the REME Charity and the REME Museum de-recognised all heritage assets with a value less than £3,000 and this resulted in an extraordinary disposal of heritage assets during the year ended 31 December 2022. This was a one-time occurrence and no assets were sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Five year summary of heritage asset transactions:

	2024	2023	2022	2021	2020
	£	£	£	£	£
Additions:					
Purchases	188,685	35,840	24,000	21,460	340
Donations	-	-	33,000	59,900	2,286
Total additions	188,685	35,840	57,000	81,360	2,626
Disposals:					
Carrying value	-	(5,250)	(815,558)	(184,180)	1,663
Proceeds	-	-	-	-	-
Revaluations	21,500	(35,000)	-	68,145	(9,539)

The REME Charity heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'. Other assets are of significance to the Corps but are not held as heritage assets. These items were reclassified as non-depreciable tangible fixed assets during 2021.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

14. Heritage assets (continued)

The REME Charity heritage assets (continued)

Further detail on the recognition and valuation of these assets is given in note 1(I).

The REME Museum heritage assets

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

15. Mixed motive investments

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
At 1 January 2024	41,354	43,224	41,354	43,224
Revaluations	-	490	-	490
Disposals	-	(2,360)	-	(2,360)
At 31 December 2024	<u>41,354</u>	<u>41,354</u>	<u>41,354</u>	<u>41,354</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

15. Mixed motive investments (continued)

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. The fine art collection is held at fair value and will be revalued every 5 years.

16. Fixed asset investments (group and charity)

	2024 £	2023 £
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2024	263,208	262,437
Disposals	(263,018)	-
Net (loss) / gain	(190)	771
As at 31 December 2024	-	263,208
Sarasin Funds - all listed		
Market value at 1 January 2024	14,084,112	12,800,750
Additions	259,429	540,407
Disposals	-	-
Net gains	1,226,794	742,955
As at 31 December 2024	15,570,335	14,084,112
Total investments	15,570,335	14,347,320
Investments are comprised of:		
	2024 £	2023 £
Listed investments	15,570,335	14,084,112
Unlisted investments	-	263,208
	15,570,335	14,347,320

Included within investments are amounts held on behalf of other REME organisations, as follows:

	2024 %	2023 %	Market value 2024 £	2023 £
REME Museum	2.3226%	2.3541%	361,639	331,552

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

17. Stock

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
REME Trading stock for resale	75,495	74,385	-	-
Finished goods including wine	166,134	158,477	166,134	158,477
	241,629	232,862	166,134	158,477

18. Debtors

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	7,866	6,112	7,866	5,935
Prepayments and accrued income	112,362	147,257	91,713	129,551
Amounts owed by subsidiary undertakings	-	-	60,000	35,213
Other debtors	185	2,195	185	2,195
Funds held as an agent (note 20)	2,058	81	2,058	81
	122,471	155,645	161,822	172,975

Included in amounts owed by subsidiary undertakings is £60,000 due in more than 1 year (2023: £nil).

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

19. Creditors : amounts due within 1 year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	37,591	26,088	37,591	26,088
Social security and other taxes	14,138	16,004	12,154	11,939
Accruals	35,159	33,964	21,806	21,873
Other creditors	14,046	11,549	13,914	9,183
Deferred income	7,266	6,344	7,266	6,344
Amounts due to subsidiary undertakings	-	-	337,805	269,908
	<u>108,200</u>	<u>93,949</u>	<u>430,536</u>	<u>345,335</u>
Due in more than 1 year:				
Other creditors	<u>13,104</u>	<u>13,104</u>	<u>13,104</u>	<u>13,104</u>

20. Funds held as an agent

During the year, the charity acted as custodian trustee for funds received by some of the sports clubs and Messes' linked to the REME Charity. An analysis of the funds received and paid by the charity is given below, and these fund balances are included in debtors (note 18).

	Funds held at		Funds held at	
	1 January	Funds	Funds	31 December
	2024	received	paid	2024
	£	£	£	£
REME sports	1,000	7,100	(14,200)	(6,100)
REME Institution	645	420	(645)	420
REME Officers' Mess	2,620	2,135	(2,760)	1,995
REME Sergeants' Mess	-	-	-	-
Other organisations	<u>(4,346)</u>	<u>8,281</u>	<u>(2,308)</u>	<u>1,627</u>
At 31 December 2024	<u>(81)</u>	<u>17,936</u>	<u>(19,913)</u>	<u>(2,058)</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

21. Analysis of group net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	249,145	910,078	1,159,223
Heritage assets	-	2,144,326	401,526	2,545,852
Mixed motive investments	-	-	41,354	41,354
Fixed asset investments	361,639	-	15,208,696	15,570,335
Current assets	148,072	482,703	93,847	724,622
Current liabilities	-	-	(108,200)	(108,200)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2024	<u>509,711</u>	<u>2,876,174</u>	<u>16,534,197</u>	<u>19,920,082</u>

Prior year comparative - restated

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	295,348	932,234	1,227,582
Heritage assets	-	1,972,826	362,841	2,335,667
Mixed motive investments	-	-	41,354	41,354
Fixed asset investments	331,552	545,405	13,470,363	14,347,320
Current assets	211,173	-	456,086	667,259
Current liabilities	-	-	(93,949)	(93,949)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2023	<u>542,725</u>	<u>2,813,579</u>	<u>15,155,825</u>	<u>18,512,129</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

22. Movements in funds

	Restated At 1 January 2024 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2024 £
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	331,552	-	-	28,692	1,395	361,639
Service Charities Equality Insights Programme	-	63,332	(52,829)	-	-	10,503
<i>Linked entities:</i>						
REME Benevolent Fund	-	43,000	(43,000)	-	-	-
HQ Officers Mess	35,722	82,290	(82,515)	-	-	35,497
REME Sports Association	-	170,607	(170,607)	-	-	-
REME Institution	146,523	66,984	(127,829)	-	-	85,678
REME Sergeants' Mess	26,603	52,055	(64,589)	-	-	14,069
<i>REME Museum:</i>						
British Museum Project	2,325	-	-	-	-	2,325
Conspicuous Gallantry Cross	-	159,032	(9,032)	-	(150,000)	-
Total restricted funds	542,725	637,300	(550,401)	28,692	(148,605)	509,711

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

22. Movements in funds (continued)

	At 1 January 2024 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2024 £
Total restricted funds	542,725	637,300	(550,401)	28,692	(148,605)	509,711
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,175,431	329,811	(411,192)	21,500	149,462	2,265,012
Museum - development	467,544	89,056	(126,666)	-	-	429,934
REME Trading	40,604	188,396	(236,174)	-	38,402	31,228
REME Yacht Club Hulls	130,000	-	-	-	20,000	150,000
<i>Total designated funds</i>	<u>2,813,579</u>	<u>607,263</u>	<u>(774,032)</u>	<u>21,500</u>	<u>207,864</u>	<u>2,876,174</u>
General funds	<u>15,155,825</u>	<u>1,587,274</u>	<u>(1,347,555)</u>	<u>1,197,912</u>	<u>(59,259)</u>	<u>16,534,197</u>
Total unrestricted funds	<u>17,969,404</u>	<u>2,194,537</u>	<u>(2,121,587)</u>	<u>1,219,412</u>	<u>148,605</u>	<u>19,410,371</u>
Total funds	<u>18,512,129</u>	<u>2,831,837</u>	<u>(2,671,988)</u>	<u>1,248,104</u>	<u>-</u>	<u>19,920,082</u>

Transfers between funds

Transfers between funds represent: cash injections into the restricted portion of The REME Charity's investment portfolio, as described in note 16; the purchase of an heritage asset with restricted funding; the movement of group reserves between entities resulting from inter-group transactions; and contributions to the saving plan for the REME Hulls fund as described below.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

22. Movements in funds (continued)

Purposes of restricted funds

Aliquot Shares

The REME Charity's investment portfolio was first created in 1985 from donations from a number of entities including the REME Museum. The Museum's percentage holding in the investment portfolio is expressed as an aliquot share holding.

Service Charities Equality Insights Programme

The Service Charities Equality Insights Programme (SCEIP) uses inclusive and intersectional lived data to reduce inequalities and diversify the outreach and impact of Service Charity programmes, enabling them to provide culturally-responsive support to all who have served, and establishing them as exemplars of diversity, equity, and inclusion.

Linked entities

The REME Charity was formed from the REME Charities in 2016. The antecedent charities are linked via a Charity Commission Scheme and are; The REME Central Charitable Trust (296030) and the REME Benevolent Fund (246967). The REME Sports Association charity (246967/1) was linked to the REME Benevolent Fund, but it now linked to the REME Charity under the same scheme. Income in these funds represents donations specifically restricted to each area of the charity. Where total expenditure exceeds income available, expenditure is limited to the available restricted funds.

British Museum Project

This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Conspicuous Gallantry Cross

Acquisition and display of a group of military medals awarded to Warrant Officer Second Class (WO2) Adam Miller, a R.E.M.E soldier and recovery mechanic who served with the British Army from 1998 to 2023.

Museum - general

The REME Museum is given an operating budget each year from the REME Charity.

Museum - development

The REME Development fund is to provide funding to develop the Museum. It is not to be spent on administration, but purely on developing exhibits, attracting visitors and generally improving the visitor experience.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

22. Movements in funds (continued)

Purposes of restricted funds (continued)

REME Trading

The REME Trading Company operates the shop in the REME Museum and online.

REME Yacht Club Hulls

The REME Hulls fund was set up as a saving plan to purchase a new yacht every five years. £20k was deposited during the year.

Prior period comparative - restated

	At 1 January 2023 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2023 £
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	303,594	-	-	27,958	-	331,552
REME Connect: Afghanistan	12,299	17,500	(29,799)	-	-	-
<i>Linked entities:</i>						
REME Benevolent Fund	-	51,613	(51,613)	-	-	-
HQ Officers Mess	10,498	88,632	(63,408)	-	-	35,722
REME Sports Association	10,986	132,407	(143,393)	-	-	-
REME Institution	191,211	78,021	(122,709)	-	-	146,523
REME Sergeants' Mess	22,068	51,592	(47,057)	-	-	26,603
<i>REME Museum:</i>						
British Museum Project	2,325	-	-	-	-	2,325
Total restricted funds	552,981	419,765	(457,979)	27,958	-	542,725

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

22. Movements in funds (continued)
Prior period comparative - restated

	At 1 January 2023 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2023 £
Total restricted funds	552,981	419,765	(457,979)	27,958	-	542,725
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,090,471	303,204	(313,888)	(35,000)	130,644	2,175,431
Museum - development	467,334	94,640	(94,430)	-	-	467,544
REME Trading	56,392	182,958	(219,916)	-	21,170	40,604
REME Yacht Club Hulls	110,000	-	-	-	20,000	130,000
<i>Total designated funds</i>	<u>2,724,197</u>	<u>580,802</u>	<u>(628,234)</u>	<u>(35,000)</u>	<u>171,814</u>	<u>2,813,579</u>
General funds	<u>14,587,277</u>	<u>1,497,149</u>	<u>(1,472,555)</u>	<u>715,768</u>	<u>(171,814)</u>	<u>15,155,825</u>
Total unrestricted funds	<u>17,311,474</u>	<u>2,077,951</u>	<u>(2,100,789)</u>	<u>680,768</u>	<u>-</u>	<u>17,969,404</u>
Total funds	<u>17,864,455</u>	<u>2,497,716</u>	<u>(2,558,768)</u>	<u>708,726</u>	<u>-</u>	<u>18,512,129</u>

Prior year funds have been restated to reflect the requirements of the Charities SORP and to be comparable to the current year. The charity has identified and removed historic internal restrictions on income and expenditure. Total restricted funds at 31 December 2023 have reduced by £3,851,355, and unrestricted funds have increased by the same amount.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

23. Financial instruments at fair value

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Financial assets measured at fair value	<u>15,570,335</u>	<u>14,347,320</u>	<u>14,347,320</u>	<u>13,063,187</u>

Financial assets measured at fair value comprise fixed asset investments.

24. Operating lease commitments

The charity held no operating lease commitments in the current or prior period.

25. Capital commitments

At 31 December 2023, capital expenditure commitments were as follows:

	2024	2023
	£	£
<i>Committed but not provided for in the accounts:</i>		
Conspicuous Gallantry Cross medal purchase	<u>-</u>	<u>150,000</u>

At 31 December 2023, the charity had entered into an agreement to complete the purchase of a Conspicuous Gallantry Cross medal. The value of the purchase is funded by awarded grants which was recognised in line with the purchase of the medal. There were no further capital commitments entered into in the prior year, and none in the current year.

26. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £149,426 (2023: £121,207) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £337,805 was due to the REME Museum (2023: £269,908).

The REME Charity also has control of the REME Trading Company Limited (company registration no. 10258502). The Operations Manager and one of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2024 were £54,889 (2023: £35,213). The REME charity provided a loan of £60,000 to the REME Trading company in 2024 (2023: funding of £40,000). The REME Trading Company donated £nil in profits (2023: £40,172) and made sales of goods from the shop totalling £38,402 (2023: £21,680) to the REME Charity during the year.

27. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

The consolidated financial statements include the results of The Corps of Royal Electrical and Mechanical Engineers Museum (the REME Museum), charity number 272740. The REME Charity is deemed to have control over the REME Museum by having sole corporate trusteeship. The REME Museum contributes to the esprit de corps objects of The REME Charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

27. Subsidiary undertakings (continued)

Results for the period

	2024 £	2023 £
Gross income	727,362	528,488
Expenditure	<u>(546,890)</u>	<u>(488,401)</u>
Results for the year (excluding gains / losses)	<u>180,472</u>	<u>40,087</u>

Net assets

	2024 £	2023 £
Assets	2,862,254	2,655,171
Liabilities	<u>(14,982)</u>	<u>(9,871)</u>
Total museum funds	<u>2,847,272</u>	<u>2,645,300</u>

The REME Trading Company Limited

The consolidated financial statements include the results of The REME Trading Company Limited (REME Trading), company number 10258502. REME Trading was incorporated to operate the cafe and shop situated within the REME museum. The REME Charity is deemed to have control over REME Trading, the directors of REME Trading being key management personnel of The REME Charity.

Results for the period

	2024 £	2023 £
Turnover	226,798	204,639
Cost of sales	<u>(145,643)</u>	<u>(117,549)</u>
Gross profit	81,155	87,090
Other operating income	-	40,000
Administrative expenses	<u>(90,870)</u>	<u>(86,938)</u>
Operating profit / (loss)	(9,715)	40,152
Tax on profit / (loss)	<u>-</u>	<u>-</u>
Profit for financial year	<u>(9,715)</u>	<u>40,152</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2024

27. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2024	2023
	£	£
Assets	96,821	84,807
Liabilities	(65,593)	(43,864)
Total reserves	<u>31,228</u>	<u>40,943</u>

28. Parent charity

The parent charity's gross income and the results for the year are:

	2024	2023
	£	£
Gross income	2,065,540	1,957,085
Surplus / (deficit) for the year (excluding gains / losses)	<u>(10,907)</u>	<u>(101,540)</u>

THE REME CHARITY

England & Wales - Charity number 1165868

Accounts

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2023



The REME Charity

Reference and administrative details

For the year ended 31 December 2023

Company number 10036700

Charity number 1165868

Registered office and operational address
The REME Charity
RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Maj Gen S M Andrews CBE	Chair
Cmdr M Ashton RN	appointed 10 August 2023
Col M J A Bullard MBE	
Cap H Burns	appointed 10 August 2023
Mr J Foster	appointed 18 January 2024
Col (Retd) R Fram MC	
Mr A P Graham	resigned 7 November 2023
Maj P C D Hembery	
Mr T Hirst MSc CEng FIET	appointed 10 August 2023
Ms R Norris	appointed 13 January 2023 and resigned 14 November 2023
Brig C P Phillips CBE	
Ms C C Robinson	resigned 13 January 2023
Col A J Rogers	resigned 11 October 2023
Col D G Scott	
Maj A Shand	appointed 1 March 2024
Col M A Simpson QVRM TD VR	
Mr P Tumim	appointed 10 August 2023

Chief executive officer and company secretary Mrs Barbel Harris

Bankers
Holt's Farnborough Branch
Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Sparkasse
Berliner Sparkasse
Alexanderplatz 2
10178 Berlin

The REME Charity

Reference and administrative details

For the year ended 31 December 2023

Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury Wilts SP1 2SB	
Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU	BlackRock (for the AFCIF holding) 33 King William Street London EC4R 9AS
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD	

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

The trustees present their report along with the 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 in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the Articles of Association of The REME Charity dated 2 March 2016 and the current REME Charity Governance Manual.

The trustees reviewed and amended the organisations Charity Governance Manual in 2023. The Corps of Royal Electrical and Mechanical Engineers (REME) has been supported by a charity since 1945. The REME inaugural charities were the REME Benevolent Fund and REME Scholarship funds but, over the years, these charities have been linked, closed and joined by others. Today, The REME Charity is the headline charity which has the REME Central Charitable Trust (296030-1), the REME Benevolent Fund (246967-1) and the REME Sports Association (246967-2) linked to it. The REME Museum (27240) is included in these group accounts as it is governed by the same Trustee Board and is administered by the REME Charity. The REME Trading Company is incorporated and is controlled by the Charity.

The REME Charity closely monitors the Corps' military operational activities and any additional support REME personnel, past or present, may require. Every spring, the Board examines the Charity's strategy and mid-term objectives to ensure our activities meet those emerging needs and that we protect our long-term viability. To that end we have developed impact metrics and administer regular surveys to remain relevant to our beneficiaries.

The dialogue with the REME family remains our priority and 2023 saw the launch of REME Connect, the improved one-stop-shop website at the heart of our digital communications. We also vastly increased our social media presence.

Recruitment and appointment of Trustees

In 2023, the Charity embarked on a diversification programme for its Board of Trustees. Many Board members had come to the end of their tenure and in a departure from usual recruitment methods, we advertised the upcoming vacancies widely amongst the REME family in an effort to better reflect and represent the diversity amongst our beneficiaries.

Five new Trustees were selected by virtue of their knowledge, lived experience and expertise. New Trustees are offered training and are supplied with pertinent information by the CEO to keep up to date with current regulatory, reporting and compliance related matters, thereby enabling them to fulfil their obligations. Succession planning and continuing diversification of the Board's composition remain agenda items for future Board meetings.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

Organisational structure and governance

The Board of Trustees is an independent decision-making governing body which meets at least twice a year. The board is led by a Chair. Trustees are given responsibility for different areas of the business and chair separate sub-committees to monitor performance and exercise governance. The Finance and Investment Committee meets quarterly. The execution of the day to day running of the business is delegated to the Chief Executive Officer with delegated spending powers defined in the Governance Manual.

Risk management

The Charity maintains a risk register which is reviewed bi-annually by a sub-committee. Risks are categorised in five main areas: Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. A reduction in income, both from the supporter base within the Corps through the Days Pay Scheme (payroll giving) and a reduction in investment income due to volatile markets, poses the biggest risk to the Charity.

OBJECTS AND ACTIVITIES

Public benefit

We provide public benefit by assisting REME regular and reserve personnel to more effectively perform their roles and duties within the British Army. We support their families and the retired veteran community and their families by enhancing esprit de corps through promoting the concept of support to the REME family for life. We do this by providing funding for benevolence, welfare, communications, activities, social gatherings and events. This assistance enables Service personnel to face the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, mental wellbeing and morale.

We promote the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests. By supporting the wider REME family we assist the Government in fulfilling its promise in the Armed Forces Covenant to treat serving personnel, veterans and their families fairly.

Through our support to the REME Museum we preserve the heritage of the Corps of REME through collecting and conserving appropriate artefacts, memorabilia and memories for future generations and communicate the story of REME and the people who served in the Corps to the visiting public and to a wider audience on-line.

Objectives

The REME Charity is independent of military authorities. It undertakes a crucial function as the needs and ambitions of the REME family go beyond the bounds of the resources and policies of the Army and MOD. The three pillars of our support to the family are:

- 1) To promote the efficiency of REME and foster esprit de corps;
- 2) To relieve either generally or individually necessitous persons being members or former members of REME or their dependants (beneficiaries); and
- 3) To support charitable purposes for the benefit of beneficiaries.

These objectives allow the charity to provide support to REME regular, reserve and retired personnel and their families. This is done through the provision of grants to groups or individuals and through fostering connections which promote REME efficiency, ethos and comradeship, giving members a sense of belonging to the REME family.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

STRATEGY

In 2022, the Board of Trustees devised the REME Charity Strategy 2022 – 2025, articulating how the Charity aims to interpret and fulfil its objectives, prioritise resources and ensure capabilities for the next 3 years. It formed the basis of the workplan, recruitment and associated activities for the chief executive. The Strategy was reviewed and considered fit for purpose at the Spring 2023 workshop and continues to undergo regular reviews.

2023 charitable objectives, themes and activities

Welfare

2023 saw more cases than in previous years. We supported 451 (376 in 2022) individual cases with financial support amounting to £310,415 (£234,952 in 2022), with average grants of £693 (£625 in 2022). The Board of Trustees continued our commitment to support the Army Benevolent Fund and authorised a donation of £85,000 in support of their welfare work.

The REME Charity's flagship initiative 'Lifting the Decks' evolved to the 'What's on your Mind?' campaign. To offer timely, additional support to those who reach out to us, we founded the REME Responders team. These are volunteers, offering a friendly ear, practical help and (re)connection with the wider REME family, often preventing escalations and crises. In December 2023, we had over 160 Responders on our database, the vast majority DBS checked and safeguarding trained. Founded in 2022, REME Responders stand ready to support their comrades. By the end of 2023 we achieved good geographical coverage to be able to spring into action, wherever support is needed. This can come in the shape of comrade visits, practical help with transport or chores, or a referral to specialist services. The Responders also have a closed social media group, a regular newsletter and are offered training opportunities.

Counselling access, respite breaks, comrade visits and signposting to professional support continue to be offered under the mantle of the 'Lifting the Decks' programme, designed to tackle problems sooner rather than later and offers choice to the service user. In addition, the Corps Welfare Officer travelled on average 773 miles per month on comrade visits, supporting REME family members.

'Lifting the Decks' has galvanised the Corps and attracts major fundraising events, such as the 'Virtual 10k' in May and the 'Lifting the Decks Challenge' in October. Those events, led by serving REME soldiers, raised £28,414 in 2023 and also helped to spread the support message more widely.

Esprit de Corps

The Charity supports serving REME soldiers' team sports, veteran reunions, mess events and other gatherings to promote cohesion and a sense of belonging.

The Charity funded 120 adventurous training events at a total cost of over £86,347. The budget for 2024 was increased by 10% to invest even more into our serving community but also to meet sharp increases in costs.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

36 sports teams (2022: 36) were allocated £313,711 in 2023. The annual grassroots skiing event EXERCISE SUPREME GLACIER took place once again in December and resulted in a record number of REME skiers qualifying for the Army Championships. The Charity was happy to financially support this success.

The REME Association held 7 RHQ led events in 2023. 196 veterans attended the annual reunion in Warwick and we had a great turnout of over 100 serving and reserve personnel, veterans and family members at the Corps Memorial event at the National Memorial Arboretum in late September.

72 bereaved families were supplied with coffin drapes, 42 buglers, standard bearers, berets, flags etc. at veteran's funerals. Their feedback assures us of the immense value they place on this support.

The REME Association Job Agency (RAJA) held two job fairs in 2023, one in the South and one in the North of the UK. Both events attracted over 100 stallholders and were attended by over 200 soldiers in their career transition period. The service dealt with 676 service leavers throughout the year.

The REME Association, the REME Institution, the REME Messes as well as the REME Museum receive annual grants from the Charity. Any unused funds return to the Charity.

'The Craftsman' magazine continued to be distributed to a 4,500 strong readership.

2023 was the second year of the REME Arkwright Scholarship. Three scholarships for Sixth Form students of STEM subjects for a duration of 2 years were awarded to lucky recipients. In addition to the £1,150 per annum, the successful candidates will receive ongoing mentoring from a senior officer and be invited to visits to REME RHQ in Lyneham. The aim of the scholarship is to promote the attractiveness of a career in the Corps and to nurture interest in STEM subjects.

ACHIEVEMENTS AND PERFORMANCE

Income generation

The Charity continued to enjoy the support of around 75% of regular soldiers and 95% of officers through the Day's Pay Scheme. This constituted 54% of the overall income in 2023. 37% of reservist officers and 30% of reservist other ranks also participate. It is the ambition of the Charity to increase the subscriptions numbers in order to secure future funding streams.

In 2023, the Charity was remembered in the wills of 4 REME veterans, amounting to legacy income of £20,359.

At 31 December 2023 they reported:

- Sarasin main portfolio: £14,186,751 (2022: £13,304,818);
- Sarasin resilience portfolio (in the process of closure): -£1 (2022: £124); and
- Blackrock: £ 263,207 (2022: £262,437).

The overall capital invested was £14,347,320 (2022: £13,063,187), an increase of £1,284,133. The Charity's investments continued to be affected by a volatile international market. In the first two quarters of 2023, the Charity refrained from drawing any income from the Sarasin portfolio, due to high current account balances resulting from an underspend in previous years. Income collection was resumed in quarter three.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

FINANCIAL REVIEW

Income

The total income of the REME Charity as of 31 December 2023 was: £2,497,716 which, in addition to income generation channels and activities mentioned above, includes £197,952 of services and facilities donated by the MoD.

Expenditure

Expenditure for the year was £2,558,768 and comprised £1,240,851 in esprit de corps activity, £547,974 in grants, £507,357 on the museum, £264,461 on support costs and £262,586 on income generation cost.

Reserves policy

The Trustees review the reserves policy and quantum of related investments during the annual budgetary cycle in the autumn of each year. The aim is to ensure the amount held in reserves and investments is adequate to mitigate against potential financial threats and to provide a secure base to meet future requirements and fulfil the objectives of the Charity over the long term.

The Charity identified a number of risks potentially impacting current income streams:

- The Charity is heavily dependent on current members of the Corps supporting the Day's Pay Giving Scheme (54% of total income). Any major change in the structure or strength of the Corps could impact the levels of future support available to Corps members;
- The Charity is reliant on the MoD administering the Day's Pay Giving Scheme and for the provision of infrastructure, utilities, IT systems, office supplies and a proportion of staff costs. If these MoD donated services were to be withdrawn, the Charity would suffer a strategic shock for which adequate reserve provision should be made; and
- The performance of the Charity's investment portfolio is subject to global market movements. While the present value of the portfolio produces (generally) IRO 20% of total required income, the value and/or dividend income can fluctuate, potentially markedly, due to market volatility.

To mitigate the identified financial risks, adequate reserves are required to meet the Charity's objectives. Reserves should be able to meet potential strategic shocks and increases in demands whilst also enabling the Trustees to deliver the Charity's objectives. The Charity's commitment is to support the REME family now and particularly in the future.

Therefore, the Trustees have assessed the level of reserves and related investments required to meet these contingencies and mitigate against the current risk profile, to be in the range of £18 million.

The Charity's reserves are composed of designated funds to secure long term support of the charitable objectives: Welfare & Benevolence (37%), Promoting the efficiency of the Armed Forces (13%), Sports and Adventurous Training (31%) and Esprit de Corps (17%). A further 1.6% is designated to cover future governance and administrative cost. These designations are based on historic demand levels.

Funds in deficit

The Charity has no deficits.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

Financial position

The trustees consider that the assets held by the charity enable the fund to meet its foreseen future obligations. Given the charity's current level of reserves, including investment assets of over £14m, the trustees consider that the charity will continue as a going concern at current spending levels for a period of at least 8 years from the date on which these financial statements are approved. The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(c) to the financial statements.

Dependency on donors

The viability of the Charity is highly dependent on the goodwill and donations of REME serving soldiers and veterans, with their contribution making up over half of the Charity's income.

It is the Charity's ambition to increase day's pay scheme giving subscription rates through targeted campaigns in 2024 and the diversification of income streams through increased fundraising activity, including a legacy campaign.

Funds held as custodian trustee

No funds are held as custodian trustee.

Fundraising practices

The REME Charity is registered with the Fundraising Regulator and we take care to ensure we comply with the Code of Fundraising practice. The majority of our fundraising is in the form of events and challenges. All are subject to relevant risk assessments and in FY2022 and to date, there have been no instances of non-compliance with the requirements. The REME Charity does not contract other companies to undertake fundraising on our behalf, nor do we use telephone direct marketing. The charity has received no complaints during the year.

PLANS FOR FUTURE PERIODS

The Board of Trustees devised the REME Charity Strategy 2022-2025 during a workshop in early 2022 and thoroughly reviewed its impact in spring 2023.

The Executive Implementation plan is monitored and its impact measured in regular reviews. Especially the communication efforts detailed in the Strategic Plan have exceeded targets and have contributed to increased uptake of the Charity's support offer to its beneficiaries. We enjoy a greater presence and increased interactivity, particularly on social media platforms, and through REME Connect, the REME family's website which received a complete overhaul.

The Charity's vision:

"Our vision is to be the source of support, belonging and connection to the REME Family, now and always".

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

A series of strategic objectives, whose fulfilment, taken together, will realise the Charity's vision, are expressed as an end state for the charity at the conclusion of the plan. The end state will be a charity that:

- Is known, relevant and trusted by the whole REME Family and other organisations;
- Balances its outputs today with financial resilience tomorrow;
- Exists to enhance the wellbeing of the many and of the one;
- Promotes and enhances the reputation and legacy of the Corps; and
- Presents and promotes Corps heritage to engender a sense of belonging and identity.

In 2023, the treasury team added a Finance Manager to their ranks, to improve internal accounting processes and increase scrutiny. The Charity now has a clearer overview of its assets and their value. Accounting processes have also been streamlined and simplified in support of improved accuracy and consistency.

Plans for 2024 include the recruitment of a part time administrator to improve the Charity's relationship and communication with its many donors and fundraisers.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with 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 Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 23 May 2024 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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 statements 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of 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.

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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 ISAs (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 the 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

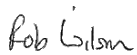
To the members of

The REME Charity

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 23 May 2024

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The REME Charity

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 December 2023

	Note	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	3	337,574	1,351,107	1,688,681	1,699,211
Charitable activities	5	-	93,832	93,832	47,560
Other trading activities	6	69,397	232,766	302,163	254,280
Investments	7	29,547	383,493	413,040	392,491
Total income		436,518	2,061,198	2,497,716	2,393,542
Expenditure on:					
Raising funds		2,419	260,167	262,586	342,461
Charitable activities:					
Benevolence grants		62,113	485,861	547,974	470,089
Esprit de corps		393,447	847,404	1,240,851	1,045,802
Museum		-	507,357	507,357	441,104
Other expenditure		-	-	-	1,028,004
Total expenditure	8	457,979	2,100,789	2,558,768	3,327,460
Net expenditure before investment gains / (losses)		(21,461)	(39,591)	(61,052)	(933,918)
Net gains / (losses) on investments	16	95,451	648,275	743,726	(1,802,534)
Net income / (expenditure)		73,990	608,684	682,674	(2,736,452)
Transfers between funds		137,201	(137,201)	-	-
Other recognised gains / (losses):					
Losses on revaluation of heritage assets	14	-	(35,000)	(35,000)	-
Net movement in funds	9	211,191	436,483	647,674	(2,736,452)
Reconciliation of funds:					
Total funds brought forward		4,182,889	13,681,566	17,864,455	20,600,907
Total funds carried forward		4,394,080	14,118,049	18,512,129	17,864,455

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 23 to the accounts.

The REME Charity

Consolidated balance sheets

As at 31 December 2023

	Note	The group 2023 £	The group 2022 £	The charity 2023 £	The charity 2022 £
Fixed assets					
Tangible assets	13	1,227,582	1,316,805	932,235	962,242
Heritage assets	14	2,335,667	2,340,077	362,841	348,601
Mixed motive investments	15	41,354	43,224	41,354	43,224
Fixed asset investments	16	14,347,320	13,063,187	14,347,320	13,063,187
Investment property	17	-	-	-	-
		17,951,923	16,763,293	15,683,750	14,417,254
Current assets					
Stock	18	232,862	214,715	158,477	150,978
Debtors	19	155,645	164,086	172,975	132,279
Cash at bank and in hand		278,752	881,816	169,121	790,477
		667,259	1,260,617	500,573	1,073,734
Liabilities					
Creditors due within 1 year	20	(93,949)	(146,351)	(345,335)	(294,187)
Net current assets		573,310	1,114,266	155,238	779,547
Total assets less current liabilities		18,525,233	17,877,559	15,838,988	15,196,801
Creditors due after more than 1 year		(13,104)	(13,104)	(13,104)	(13,104)
Net assets	22	18,512,129	17,864,455	15,825,884	15,183,697
Funds	23				
Restricted funds		4,394,080	4,182,889	4,391,755	4,180,564
Unrestricted funds					
Designated funds		2,813,579	2,724,197	130,000	110,000
General funds		11,304,470	10,957,369	11,304,129	10,893,133
Total charity funds		18,512,129	17,864,455	15,825,884	15,183,697

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 23 May 2024 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2023

	2023 £	2022 £
Cash used in operating activities:		
Net movement in funds	647,674	(2,736,452)
Adjustments for:		
Loss / (profit) on the disposal of tangible assets	18,160	212,446
Depreciation charges	87,430	68,626
Loss / (profit) on the disposal of heritage assets	5,250	815,558
Loss / (profit) on the disposal of mixed motive investments	2,360	-
Donation of heritage assets	-	(33,000)
Revaluation losses / (gains) on heritage assets	35,000	-
Revaluation losses / (gains) on tangible fixed assets	3,550	-
Revaluation (gains) / losses on mixed motive investments	(490)	-
(Gains) / losses on investments	(743,726)	1,802,534
Dividends, interest and rents from investments	(413,040)	(392,491)
(Increase) / decrease in stock	(18,147)	(22,977)
Decrease / (increase) in debtors	8,441	(15,455)
(Decrease) / increase in creditors	(52,402)	47,532
Net cash (used in) / provided by operating activities	(419,940)	(253,679)
Cash flows from investing activities:		
Dividends, interest and rents from investments	413,040	392,491
Purchase of tangible fixed assets	(19,917)	(198,930)
Purchase of heritage assets	(35,840)	(24,000)
Purchase of investments	(540,407)	(986,669)
Disposal proceeds on sale of fixed asset investments	-	586,669
Disposal proceeds on sale of investment property	-	506,246
Net cash (used in) / provided by investing activities	(183,124)	275,807
(Decrease) / increase in cash and cash equivalents in the year	(603,064)	22,128
Cash and cash equivalents at the beginning of the year	881,816	859,688
Cash and cash equivalents at the end of the year	278,752	881,816

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The REME Charity 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 notes for investments (notes m, n, o) and heritage assets (note l).

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiaries, The Corps of Royal Electrical and Mechanical Engineers Museum (charity registration number 272740) and The REME Trading Company Limited (company number 10258502) on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent and its subsidiaries are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

In accordance with Charity Commission guidance, all linked charities per a Scheme dated 28 October 2016 are required to be reported as restricted funds. The linked charities comprise:

- Royal Electrical and Mechanical Engineers Central Charitable Trust (charity no. 1165868-1);
- The Royal Electrical and Mechanical Engineers' Benevolent Fund (charity no. 1165868-2);
- Royal Electrical and Mechanical Engineers' Hotel Fund (charity no. 1165868-3 - now closed and removed from the register); and
- The General Fund of the Royal Electrical and Mechanical Engineers Sports Association (charity no. 1165868-4).

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

d) Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received for advertising in advance of publication is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on the proportion of direct costs, as follows:

	2023	2022
Raising funds	10.3%	15.2%
Charitable activities:		
Benevolence grants	21.4%	20.9%
Esprit de corps	48.5%	46.4%
Museum	19.8%	17.5%

j) Grants payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

k) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Yachts	10 years straight line to residual value of £70,000
Furniture and equipment	3 - 10 years straight line basis
Corps items	Not depreciated

Items of equipment are capitalised where the purchase price exceeds £2,000.

The REME Collection ("Corps items"), which has been built up over many years, reflects the wide range of artefacts ranging from wooden carvings, paintings, silver pieces, furniture and many trinkets and items of an ornamental nature. Corps items are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. Items are initially recorded at cost when an acquisition has been made by purchase. The items are periodically revalued and any gain or loss arising on revaluation will be posted to the statement of financial activities. Methods of valuation are given in note 1 (l) below.

l) Heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

l) Heritage assets (continued)

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the silver and artwork and recourse to the many websites, trade magazines, auction houses and professional catalogues. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and occasionally written valuations are unavailable.

The assets are generally valued at 50% of insurance value. The heritage assets were not revalued in 2023 but during the year ended 31 December 2021 all artworks and silverware was revalued by Madley Associates, fellows of the National Association of Valuers and Auctioneers.

The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. All heritage assets are reviewed for impairment annually and any charge taken to the SoFA.

Only items valued at more than £3,000 will be capitalised as heritage assets.

m) Mixed motive investments

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Fine art is held at fair value.

n) Investment property

Investment properties are included in the balance sheet at fair value and are not depreciated. Changes in fair value are recognised in the statement of financial activities. Investment property is professionally revalued every two years, and informally reviewed for impairment annually.

o) Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

p) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

q) Debtors

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

r) Cash at bank and in hand

Cash at bank and cash 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.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

s) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charitable company 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.

u) Pension costs

The charitable company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

v) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

w) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1k to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Revaluations

Heritage assets, mixed motive investments and investment property are stated at estimated fair value based on periodic valuations, as disclosed in notes 1l, 1m, 1n and 1o.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

w) Accounting estimates and key judgements (continued)

Derecognition of assets

In the prior year, the decision to write off heritage assets below £3k and tangible fixed assets below £2k was made by the trustees in order to streamline the management of assets for the group.

As the organisation holds a large number of assets, this policy allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high-value heritage assets. This change has resulted in a loss on disposal of heritage assets of £815,558 and tangible fixed assets of £58,864. From an accounting presentation perspective this is shown as a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2022 Total £
Income from:			
Donations and legacies	285,154	1,414,057	1,699,211
Charitable activities	-	47,560	47,560
Other trading activities	571	253,709	254,280
Investments	21,229	371,262	392,491
Total income	306,954	2,086,588	2,393,542
Expenditure on:			
Raising funds	3,568	338,893	342,461
Charitable activities:			
Benevolence grants	21,969	448,120	470,089
Esprit de corps	233,650	812,152	1,045,802
Museum	-	441,104	441,104
Other expenditure	-	1,028,004	1,028,004
Total expenditure	259,187	3,068,273	3,327,460
Net income / (expenditure) before investment gains	47,767	(981,685)	(933,918)
Net gains / (losses) on investments	262,722	(2,065,256)	(1,802,534)
Net income / (expenditure) and net movement in funds	310,489	(3,046,941)	(2,736,452)

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

3. Income from donations and legacies

	Restricted £	Unrestricted £	2023 Total £
Subscriptions - retired officers	13,432	-	13,432
Subscriptions - serving officers	135,752	135,752	271,504
Subscriptions - museum (gold card)	-	89,569	89,569
Subscriptions - other ranks	50,724	611,228	661,952
Sports association grants	18,391	-	18,391
MOD grant in aid	-	189,242	189,242
Other donations	96,743	100,119	196,862
Donated heritage assets	-	-	-
Legacies	20,359	-	20,359
Donated investment management services	2,173	27,245	29,418
Donated services and facilities *	-	197,952	197,952
Total income from donations and legacies	337,574	1,351,107	1,688,681

Prior period comparative

	Restricted £	Unrestricted £	2022 Total £
Subscriptions - retired officers	28,702	-	28,702
Subscriptions - serving officers	130,492	130,492	260,984
Subscriptions - museum (gold card)	-	93,867	93,867
Subscriptions - other ranks	49,707	578,538	628,245
Sports association grants	35,000	-	35,000
MOD grant in aid	-	181,754	181,754
Other donations	34,253	80,017	114,270
Donated heritage assets	-	33,000	33,000
Legacies	7,000	100	7,100
Donated investment management services	-	97,659	97,659
Donated services and facilities *	-	218,630	218,630
Total income from donations and legacies	285,154	1,414,057	1,699,211

* Donated services and facilities consists of:

	2023 £	2022 £
Donated staff time	169,278	189,428
Donated facilities - office premises, equipment and utilities	28,674	29,202
	197,952	218,630

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities. The total value of such grants in the period ending 31 December 2023 was £189,242 (2022: £181,754). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £
Museum admission	-	83,565	83,565
Children's activities	-	8,009	8,009
Museum research	-	2,258	2,258
Total income from charitable activities	-	93,832	93,832

Prior period comparative

	Restricted £	Unrestricted £	2022 Total £
Museum admission	-	42,675	42,675
Children's activities	-	2,067	2,067
Museum research	-	946	946
Development fund grant income	-	1,872	1,872
Total income from charitable activities	-	47,560	47,560

6. Income from other trading activities

	Restricted £	Unrestricted £	2023 Total £
REME trading income	-	182,958	182,958
Sponsorship	69,017	1,000	70,017
Other fundraising	380	48,808	49,188
Total income from other trading activities	69,397	232,766	302,163

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

6. Income from other trading activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
REME trading income	-	172,440	172,440
Sponsorship	-	25,850	25,850
Other fundraising	571	55,419	55,990
Total income from other trading activities	571	253,709	254,280

7. Income from investments

	Restricted £	Unrestricted £	2023 Total £
Income from listed investments	29,547	380,570	410,117
Bank interest	-	2,923	2,923
Total income from investments	29,547	383,493	413,040

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
Income from listed investments	18,249	370,340	388,589
Property income	2,980	-	2,980
Bank interest	-	922	922
Total income from investments	21,229	371,262	392,491

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

8. Total expenditure

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2023 Total £
REME Museum	-	-	-	20,082	-	20,082
REME Institution (Officers' club)	-	-	57,883	-	-	57,883
REME Trading	117,129	-	-	-	-	117,129
Officers Mess functions and costs	-	-	11,532	-	-	11,532
Grants payable (note 12)	-	402,880	655,809	-	-	1,058,689
REME Sports	-	-	16,496	-	-	16,496
Association events and costs	-	-	52,720	-	-	52,720
REME Corps Sergeants' Mess	-	-	24,411	-	-	24,411
Office expenses	-	-	8,910	665	116,356	125,931
Repairs and maintenance	-	-	-	-	5,000	5,000
Loss on disposal of assets	-	-	-	5,250	20,520	25,770
Depreciation	-	-	-	64,070	23,360	87,430
Fundraising and investment property costs	3,269	-	-	-	-	3,269
Publication costs	-	-	82,142	-	-	82,142
Staff costs (note 10)	115,048	88,459	202,700	364,852	27,124	798,183
Insurance	-	-	-	-	10,654	10,654
Trustee expenses	-	-	-	-	4,354	4,354
Donated facilities	-	-	-	-	28,977	28,977
Legal and professional	-	-	-	-	28,116	28,116
Sub-total	235,446	491,339	1,112,603	454,919	264,461	2,558,768
Allocation of support and governance costs	27,140	56,635	128,248	52,438	(264,461)	-
Total expenditure	262,586	547,974	1,240,851	507,357	-	2,558,768

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

8. Total expenditure - prior period comparative

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Other expenditure £	Support and governance costs £	2022 Total £
REME Museum	-	-	-	19,354	-	-	19,354
REME Institution (Officers' club)	-	-	49,712	-	-	-	49,712
REME Trading	113,816	-	-	-	-	-	113,816
Officers Mess functions and costs	-	-	9,080	-	-	-	9,080
Grants payable (note 12)	-	325,202	525,975	-	-	-	851,177
REME Sports	-	-	20,307	-	-	-	20,307
Association events and costs	-	-	27,208	-	-	-	27,208
REME Corps Sergeants' Mess	-	-	22,866	-	-	-	22,866
Office expenses	-	-	-	-	-	99,747	99,747
Repairs and maintenance	-	-	-	-	-	20,861	20,861
Depreciation	-	-	-	46,315	-	22,311	68,626
Loss on disposal of assets	-	-	-	-	1,028,004	-	1,028,004
Corps recruiting	-	-	5,490	-	-	12,724	18,214
Fundraising and investment property costs	11,427	-	-	-	-	-	11,427
Publication costs	-	-	96,660	-	-	-	96,660
Staff costs (note 10)	111,711	92,881	173,046	331,890	-	28,091	737,619
Insurance	-	-	-	-	-	7,146	7,146
Trustee expenses	-	-	-	-	-	2,286	2,286
Donated facilities	-	-	-	-	-	29,202	29,202
Investment manager fees	67,684	-	-	-	-	-	67,684
Legal and professional	-	-	-	-	-	26,464	26,464
Sub-total	304,638	418,083	930,344	397,559	1,028,004	248,832	3,327,460
Allocation of support and governance costs	37,823	52,006	115,458	43,545	-	(248,832)	-
Total expenditure	342,461	470,089	1,045,802	441,104	1,028,004	-	3,327,460

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

9. Net movement in funds

This is stated after charging:

	2023 £	2022 £
Depreciation	87,430	68,626
Loss on disposal of assets	25,770	1,028,004
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	4,354	2,286
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	19,000	16,290
▪ Consultancy	253	4,940
▪ Corporation tax return	350	300

Trustees' reimbursed expenses comprise travel, subsistence and accommodation costs relating to 5 trustees (2022: 3 trustees).

Total governance costs were £27,154 (2022: £21,834).

10. Staff costs and numbers

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	554,934	472,115
Social security costs	42,342	34,844
Pension costs	13,329	24,137
Donated salaries	168,975	189,428
Freelance staff	18,603	17,095
	798,183	737,619

One employee earned between £60,000 and £70,000 during the year (2022: one employee).

The key management personnel of the charitable company comprise the CEO and Museum Director. The total employee benefits of the key management personnel paid by the charity were £122,728 (2022: £113,335).

	2023 No.	2022 No.
Average number of employees (head count):	25	25

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

12. Grants payable

	Individuals £	Institutions £	Total 2023 £
Benevolence	310,265	92,615	402,880
REME Sports	-	313,712	313,712
Discretionary grants	150	203,589	203,739
Adventurous and enterprising activities	-	88,347	88,347
REME Corps Sergeants' Mess	-	22,545	22,545
Officers Mess	-	27,466	27,466
	<u>310,415</u>	<u>748,274</u>	<u>1,058,689</u>

Prior period comparative

	Individuals £	Institutions £	Total 2022 £
Benevolence	234,952	90,250	325,202
REME Sports	-	262,960	262,960
Discretionary grants	-	168,671	168,671
Adventurous and enterprising activities	-	45,932	45,932
REME Corps Sergeants' Mess	-	29,899	29,899
Officers Mess	-	18,513	18,513
	<u>234,952</u>	<u>616,225</u>	<u>851,177</u>

The charity's grant making activities are characterised by large numbers of small grants, paid to support serving and retired soldiers and officers of the REME Corps. The total grants made to individuals in the current year was 451 (2022: 376). Individual grants are rarely made direct to the individual beneficiary. Grants are usually processed via a third party organisation such as the Army Benevolent Fund; the Soldiers' Charity (ABF), The Sailors, Soldiers and Air Force Institution (SSAFA), or the Royal British Legion (RBL). If the beneficiary is a serving soldier, a grant is processed through the unit welfare organisation.

The trustees consider all grants paid to institutions over £25,000, which require trustee board approval, to be material in the context of the accounts. The total amount of grants paid over this amount in 2023 was 1, for £85,000, to the Army Benevolent Fund (2022: 1, for £85,000, to the Army Benevolent Fund). There were no other committed grants at 31 December 2023. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

13. Tangible fixed assets

Group	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2023	280,000	964,585	680,141	1,924,726
Additions in year	-	10,317	9,600	19,917
Disposals	-	(36,625)	(18,160)	(54,785)
Revaluations	-	-	(3,550)	(3,550)
At 31 December 2023	<u>280,000</u>	<u>938,277</u>	<u>668,031</u>	<u>1,886,308</u>
Depreciation				
At 1 January 2023	92,000	515,921	-	607,921
Charge for the year	9,500	77,930	-	87,430
Disposals	-	(36,625)	-	(36,625)
At 31 December 2023	<u>101,500</u>	<u>557,226</u>	<u>-</u>	<u>658,726</u>
Net book value				
At 31 December 2023	<u>178,500</u>	<u>381,051</u>	<u>668,031</u>	<u>1,227,582</u>
At 31 December 2022	<u>188,000</u>	<u>448,664</u>	<u>680,141</u>	<u>1,316,805</u>
Charity	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2023	280,000	168,417	680,142	1,128,559
Additions in year	-	5,460	9,600	15,060
Disposals	-	(36,625)	(18,160)	(54,785)
Revaluations	-	-	(3,550)	(3,550)
At 31 December 2023	<u>280,000</u>	<u>137,252</u>	<u>668,032</u>	<u>1,085,284</u>
Depreciation				
At 1 January 2023	92,000	74,317	-	166,317
Charge for the year	9,500	13,857	-	23,357
Disposals	-	(36,625)	-	(36,625)
At 31 December 2023	<u>101,500</u>	<u>51,549</u>	<u>-</u>	<u>153,049</u>
Net book value				
At 31 December 2023	<u>178,500</u>	<u>85,703</u>	<u>668,032</u>	<u>932,235</u>
At 31 December 2022	<u>188,000</u>	<u>94,100</u>	<u>680,142</u>	<u>962,242</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

14. Heritage assets

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
At 1 January 2023	2,340,077	3,098,635	348,601	386,151
Additions	35,840	57,000	14,240	24,000
Disposals	(5,250)	(815,558)	-	(61,550)
Revaluations	(35,000)	-	-	-
At 31 December 2023	2,335,667	2,340,077	362,841	348,601

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

During the prior year, the REME Charity and the REME Museum de-recognised all heritage assets with a value less than £3,000 and this resulted in an extraordinary disposal of heritage assets during the year ended 31 December 2022. This was a one-time occurrence and no assets were sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Five year summary of heritage asset transactions:

	2023	2022	2021	2020	2019
	£	£	£	£	£
Additions:					
Purchases	35,840	24,000	21,460	340	-
Donations	-	33,000	59,900	2,286	5,981
Total additions	35,840	57,000	81,360	2,626	5,981
Disposals:					
Carrying value	(5,250)	(815,558)	(184,180)	1,663	580
Proceeds	-	-	-	-	-
Revaluations	(35,000)	-	68,145	(9,539)	609,667

The REME Charity heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'. Other assets are of significance to the Corps but are not held as heritage assets. These items were reclassified as non-depreciable tangible fixed assets during 2021.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

14. Heritage assets (continued)

The REME Charity heritage assets (continued)

Further detail on the recognition and valuation of these assets is given in note 1(I).

The REME Museum heritage assets

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

15. Mixed motive investments

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
At 1 January 2023	43,224	43,224	43,224	43,224
Revaluations	490		490	
Disposals	(2,360)	-	(2,360)	-
At 31 December 2023	41,354	43,224	41,354	43,224

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

15. Mixed motive investments (continued)

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. The fine art collection is held at fair value and will be revalued every 5 years.

16. Fixed asset investments (group and charity)

	2023 £	2022 £
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2023	262,437	304,973
Net gains / (losses)	771	(42,536)
As at 31 December 2022	263,208	262,437
Sarasin Funds - all listed		
Market value at 1 January 2023	12,800,750	14,206,994
Additions	540,407	986,669
Disposals	-	(586,669)
Net gains / (losses)	742,955	(1,806,244)
As at 31 December 2023	14,084,112	12,800,750
Total investments	14,347,320	13,063,187
Investments are comprised of:		
	2023 £	2022 £
Listed investments	14,084,112	12,800,750
Unlisted investments	263,208	262,437
	14,347,320	13,063,187

Included within investments are amounts held on behalf of other REME organisations, as follows:

	2023 %	2022 %	Market value	
			2023 £	2022 £
REME Benevolent Fund	0.3419%	0.3445%	48,159	44,098
REME HQ Officers Mess	3.6266%	3.6536%	510,768	467,697
REME Association	2.9027%	2.9243%	408,815	374,341
REME Museum	2.3541%	2.3717%	331,552	303,594
REME Institution	3.7537%	3.0350%	528,668	388,506
			1,827,962	1,578,236

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

17. Investment property

The charity sold Judnick House, a residential investment property, during the prior year. Prior to disposal, the property was held at fair value based on a desktop market valuation obtained from an estate agent, Frank Schippers, dated 2 December 2021.

	2023 £	2022 £
Market value at 1 January 2023	-	460,000
Disposal proceeds	-	(506,246)
Realised gain	-	46,246
	<u>-</u>	<u>-</u>
Market value at 31 December 2023	<u><u>-</u></u>	<u><u>-</u></u>

18. Stock

	The group 2023 £	2022 £	The charity 2023 £	2022 £
REME Trading stock for resale	74,385	63,737	-	-
Finished goods including wine	158,477	150,978	158,477	150,978
	<u>232,862</u>	<u>214,715</u>	<u>158,477</u>	<u>150,978</u>

19. Debtors

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Trade debtors	6,112	3,505	5,935	2,090
Prepayments and accrued income	147,257	159,194	129,551	94,752
Donation from REME Trading	-	-	35,213	34,050
Other debtors	2,195	1,387	2,195	1,387
Funds held as an agent (note 21)	81	-	81	-
	<u>155,645</u>	<u>164,086</u>	<u>172,975</u>	<u>132,279</u>
Total debtors	<u>155,645</u>	<u>164,086</u>	<u>172,975</u>	<u>132,279</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

20. Creditors : amounts due within 1 year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	26,088	36,545	26,088	36,545
Social security and other taxes	16,004	31,571	11,939	24,109
Accruals	33,964	15,584	21,873	17,793
Other creditors	11,549	30,500	9,183	16,207
Deferred income	6,344	2,087	6,344	2,087
Funds received as an agent (note 21)	-	30,064	-	30,064
Intercompany due to REME Museum	-	-	269,908	167,382
	93,949	146,351	345,335	294,187
Due in more than 1 year:				
Other creditors	13,104	13,104	13,104	13,104

21. Funds held as an agent

During the year, the charity acted as custodian trustee for funds received by some of the sports clubs and Messes' linked to the REME charity. An analysis of the funds received and paid by the charity is given below. Funds held at year end 2023 are detailed in the debtors note (note 19), funds held at the year end 2022 are detailed in creditors (note 20).

	Funds held at		Funds held at	
	1 January	Funds	Funds	31 December
	2023	received	paid	2023
	£	£	£	£
REME sports	7,885	1,000	(7,885)	1,000
REME Institution	1,107	74,410	(74,872)	645
REME Officers' Mess	2,052	2,620	(2,052)	2,620
REME Sergeants' Mess	1,200	-	(1,200)	-
Other organisations	17,820	6,764	(28,930)	(4,346)
	30,064	84,794	(114,939)	(81)
At 31 December 2023				

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

22. Analysis of group net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	605,025	295,348	327,209	1,227,582
Heritage assets	362,841	1,972,826	-	2,335,667
Mixed motive investments	41,354	-	-	41,354
Fixed asset investments	1,827,962	-	12,519,358	14,347,320
Current assets	1,556,898	545,405	(1,435,044)	667,259
Current liabilities	-	-	(93,949)	(93,949)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2023	<u>4,394,080</u>	<u>2,813,579</u>	<u>11,304,470</u>	<u>18,512,129</u>

Prior year comparative

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	601,425	354,563	360,817	1,316,805
Heritage assets	348,601	1,991,476	-	2,340,077
Mixed motive investments	43,224	-	-	43,224
Fixed asset investments	1,595,310	-	11,467,877	13,063,187
Investment property	-	-	-	-
Current assets	1,594,329	378,158	(711,870)	1,260,617
Current liabilities	-	-	(146,351)	(146,351)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2022	<u>4,182,889</u>	<u>2,724,197</u>	<u>10,957,369</u>	<u>17,864,455</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds

	At 1 January 2023 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2023 £
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	1,595,310	-	-	95,451	137,201	1,827,962
REME Connect: Afghanistan	12,299	17,500	(29,799)	-	-	-
<i>Linked entities:</i>						
REME Benevolent Fund	-	51,613	(51,613)	-	-	-
HQ Officers Mess	1,709,772	96,864	(63,408)	-	-	1,743,228
REME Sports Association	10,986	132,407	(143,393)	-	-	-
REME Institution	765,256	86,541	(122,709)	-	-	729,088
REME Sergeants' Mess	86,941	51,593	(47,057)	-	-	91,477
<i>REME Museum:</i>						
British Museum Project	2,325	-	-	-	-	2,325
Total restricted funds	4,182,889	436,518	(457,979)	95,451	137,201	4,394,080

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued)

	At 1 January 2023 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2023 £
Total restricted funds	4,182,889	436,518	(457,979)	95,451	137,201	4,394,080
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,090,471	303,204	(313,888)	(35,000)	130,644	2,175,431
Museum - development	467,334	94,640	(94,430)	-	-	467,544
REME Trading	56,392	182,958	(219,916)	-	21,170	40,604
REME Yacht Club Hulls	110,000	-	-	-	20,000	130,000
<i>Total designated funds</i>	<u>2,724,197</u>	<u>580,802</u>	<u>(628,234)</u>	<u>(35,000)</u>	<u>171,814</u>	<u>2,813,579</u>
General funds	<u>10,957,369</u>	<u>1,480,396</u>	<u>(1,472,555)</u>	<u>648,275</u>	<u>(309,015)</u>	<u>11,304,470</u>
Total unrestricted funds	<u>13,681,566</u>	<u>2,061,198</u>	<u>(2,100,789)</u>	<u>613,275</u>	<u>(137,201)</u>	<u>14,118,049</u>
Total funds	<u><u>17,864,455</u></u>	<u><u>2,497,716</u></u>	<u><u>(2,558,768)</u></u>	<u><u>708,726</u></u>	<u><u>-</u></u>	<u><u>18,512,129</u></u>

Transfers between funds

Transfers between funds represent: cash injections into The REME Charity's investment portfolio, as described below; the movement of group reserves between entities resulting from inter-group transactions (see note 28); and contributions to the saving plan for the REME Hulls fund as described below.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued)

Purposes of restricted funds

Aliquot Shares

The REME Charity's investment portfolio was first created in 1985 from donations from a number of entities. Each of the entities is now inside the REME Charity and their percentage holding in the investment portfolio is expressed as an aliquot share holding.

REME Connect: Afghanistan

The project was created after the evacuation of Kabul in 2021. The project intends to create digital communities of support for REME veterans of Afghanistan and similar recent operations to make a meaningful difference to the veterans' and their families' lives.

Linked entities

The REME Charity was formed from the REME Charities in 2016. The antecedent charities are linked via a Charity Commission Scheme and are; The REME Central Charitable Trust (296030) and the REME Benevolent Fund (246967). The REME Sports Association charity (246967/1) was linked to the REME Benevolent Fund, but it now linked to the REME Charity under the same scheme. Income in these funds represents donations specifically restricted to each area of the charity. Where total expenditure exceeds income available, expenditure is limited to the available restricted funds.

British Museum Project

This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Museum - general

The REME Museum is given an operating budget each year from the REME Charity.

Museum - development

The REME Development fund is to provide funding to develop the Museum. It is not to be spent on administration, but purely on developing exhibits, attracting visitors and generally improving the visitor experience.

REME Trading

The REME Trading Company operates the shop in the REME Museum and online.

REME Yacht Club Hulls

The REME Hulls fund was set up as a saving plan to purchase a new yacht every five years. £20k was deposited during the year.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued)

Prior period comparative

	At 1 January 2022 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2022 £
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	1,378,834	-	-	216,476	-	1,595,310
REME Connect: Afghanistan	-	17,500	(5,201)	-	-	12,299
<i>Linked entities:</i>						
REME Benevolent Fund	-	21,969	(21,969)	-	-	-
HQ Officers Mess	1,673,559	91,865	(55,652)	-	-	1,709,772
REME Sports Association	-	35,000	(24,014)	-	-	10,986
REME Institution	727,804	89,639	(98,433)	46,246	-	765,256
REME Sergeants' Mess	89,633	50,981	(53,673)	-	-	86,941
<i>REME Museum:</i>						
British Museum Project	2,570	-	(245)	-	-	2,325
Total restricted funds	3,872,400	306,954	(259,187)	262,722	-	4,182,889

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued) - prior year comparative

	At 1 January 2022 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2022 £
Total restricted funds	3,872,400	306,954	(259,187)	262,722	-	4,182,889
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,842,791	354,621	(1,106,941)	-	-	2,090,471
Museum - development	467,634	104,509	(104,809)	-	-	467,334
REME Trading	61,700	172,440	(177,748)	-	-	56,392
REME Yacht Club Hulls	90,000	-	-	-	20,000	110,000
<i>Total designated funds</i>	<u>3,462,125</u>	<u>631,570</u>	<u>(1,389,498)</u>	<u>-</u>	<u>20,000</u>	<u>2,724,197</u>
General funds	<u>13,266,382</u>	<u>1,455,018</u>	<u>(1,678,775)</u>	<u>(2,065,256)</u>	<u>(20,000)</u>	<u>10,957,369</u>
Total unrestricted funds	<u>16,728,507</u>	<u>2,086,588</u>	<u>(3,068,273)</u>	<u>(2,065,256)</u>	<u>-</u>	<u>13,681,566</u>
Total funds	<u><u>20,600,907</u></u>	<u><u>2,393,542</u></u>	<u><u>(3,327,460)</u></u>	<u><u>(1,802,534)</u></u>	<u><u>-</u></u>	<u><u>17,864,455</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

24. Financial instruments at fair value

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Financial assets measured at fair value	<u>14,347,320</u>	<u>13,063,187</u>	<u>14,347,320</u>	<u>13,063,187</u>

Financial assets measured at fair value comprise fixed asset investments.

25. Operating lease commitments

The charity held no operating lease commitments in the current or prior period.

26. Capital commitments

At 31 December 2023, capital expenditure commitments were as follows:

	2023	2022
	£	£
<i>Committed but not provided for in the accounts:</i>		
Conspicuous Gallantry Cross medal purchase	<u>150,000</u>	<u>-</u>

At 31 December 2023, the charity had entered into an agreement to complete the purchase of a Conspicuous Gallantry Cross medal. The value of the purchase is funded by awarded grants which will be recognised in line with the purchase of the medal. There were no further capital commitments entered into in the post year end period.

27. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £121,207 (2022: £149,292) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £269,908 was due to the REME Museum (2022: £167,382).

The REME Charity also has control of the REME Trading Company Limited (company registration no. 10258502). The Operations Manager and one of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2023 were £35,213 (2022: £34,050). The REME charity provided funding of £40,000 to the REME Trading company in 2023 (2022: £nil). The REME Trading Company donated £40,172 (2022: £52,047) and made sales of goods from the shop totalling £21,680 (2022: £39,606) to the REME Charity during the year.

28. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

The consolidated financial statements include the results of The Corps of Royal Electrical and Mechanical Engineers Museum (the REME Museum), charity number 272740. The REME Charity is deemed to have control over the REME Museum by having sole corporate trusteeship. The REME Museum contributes to the esprit de corps objects of The REME Charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

28. Subsidiary undertakings (continued)

Results for the period

	2023	2022
	£	£
Gross income	528,488	536,058
Expenditure	(488,401)	(1,208,930)
Results for the year (excluding gains / losses)	<u>40,087</u>	<u>(672,872)</u>

Net assets

	2023	2022
	£	£
Assets	2,655,171	2,649,279
Liabilities	(9,871)	(9,066)
Total museum funds	<u>2,645,300</u>	<u>2,640,213</u>

The REME Trading Company Limited

The consolidated financial statements include the results of The REME Trading Company Limited (REME Trading), company number 10258502. REME Trading was incorporated to operate the cafe and shop situated within the REME museum. The REME Charity is deemed to have control over REME Trading, the directors of REME Trading being key management personnel of The REME Charity.

Results for the period

	2023	2022
	£	£
Turnover	204,639	212,046
Cost of sales	(117,549)	(113,538)
Gross profit	87,090	98,508
Other operating income	40,000	-
Administrative expenses	(86,938)	(67,198)
Operating profit / (loss)	40,152	31,310
Tax on profit / (loss)	-	-
Profit for financial year	<u>40,152</u>	<u>31,310</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

28. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2023	2022
	£	£
Assets	84,807	85,556
Liabilities	(43,864)	(44,593)
Total reserves	<u>40,943</u>	<u>40,963</u>

29. Parent charity

The parent charity's gross income and the results for the year are:

	2023	2022
	£	£
Gross income	1,957,085	1,887,254
Surplus / (deficit) for the year (excluding gains / losses)	<u>(101,540)</u>	<u>(239,887)</u>

THE REME CHARITY

England & Wales - Charity number 1165868

Accounts

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2022



The REME Charity

Reference and administrative details

For the year ended 31 December 2022

Company number 10036700

Charity number 1165868

Registered office and operational address
The REME Charity
RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Maj Gen S M Andrews CBE	Chair
Col M J A Bullard MBE	
Col (Retd) R Fram MC	
Mr A P Graham	
Maj P C D Hembury	
Ms R Norris	appointed 13 January 2023
Brig C P Phillips CBE	
Ms C C Robinson	resigned 13 January 2023
Col A J Rogers	
Col D G Scott	
Col M A Simpson QVRM TD VR	

Chief executive officer and company secretary Mrs Barbel Harris

Bankers Holt's Farnborough Branch
Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Sparkasse
Berliner Sparkasse
Alexanderplatz 2
10178 Berlin

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wilts
SP1 2SB

The REME Charity

Reference and administrative details

For the year ended 31 December 2022

Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU	BlackRock (for the AFCIF holding) 33 King William Street London EC4R 9AS
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Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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The REME Charity

Report of the Trustees

For the year ended 31 December 2022

The Trustees present their report along with the 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 in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the Articles of Association of The REME Charity dated 2 March 2016 and the current REME Charity Governance Manual.

The Corps of Royal Electrical and Mechanical Engineers (REME) has been supported by a charity since 1945. The REME inaugural charities were the REME Benevolent Fund and REME Scholarship funds but, over the years, these charities have been linked, closed and joined by others. Today, The REME Charity is the headline charity which has the REME Central Charitable Trust (296030-1), the REME Benevolent Fund (246967-1) and the REME Sports Association (246967-2) linked to it. The REME Museum (272740) is included in these group accounts as it is governed by the same Board of Trustees and is administered by The REME Charity. The REME Trading Company has been incorporated and is controlled by the charity.

As a military charity, The REME Charity has to adapt its operations to the current requirements of the Corps it supports. The Board of Trustees regularly reviews its charitable activities to ensure it meets the needs of its beneficiaries. An annual Trustee workshop, usually held in March of each year, sets the themes for the year.

It is important to the charity to be clear about the impact and relevance it has for its beneficiaries and in its wider context. Work continued in 2022 to explore the various facets of impact for our work.

An overarching theme and an area of increased resources for the Charity remains the improvement of its interconnectivity of beneficiaries – the REME Family - via REME Connect, the one-stop-shop website at the heart of our digital communications, and other social media channels.

Working with our veterans, we continued to improve our reach and translated the connectivity metaphor of the website into communities of support, particularly during the ongoing COVID-19 pandemic. Our cadre of over 150 volunteers sustained high response and support levels throughout the UK.

Recruitment and appointment of Trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the Board of Trustees after recommendation. They are offered training and are supplied with pertinent information by the CEO to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the Board remains current and effective. There were no changes to the Board of Trustees in 2022.

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

Organisational structure and governance

The Board of Trustees is an independent decision-making governing body which meets at least twice a year. The Board consists of 10 Trustees led by a Chairman. Trustees are given responsibility for different areas of the business and chair separate sub-committees to monitor performance and exercise governance. The Finance and Investment Committee meets quarterly, while the Benevolence Committee meets on a monthly basis. The execution of the day to day running of the business is delegated to the Chief Executive Officer with delegated spending powers defined in the REME Governance Manual.

Risk management

The Charity maintains a risk register which is reviewed biannually. Risks are categorised in five main areas: Impact, Financial Sustainability, Compliance, Operational Hazards and Reputation. While the reduction in the size of the REME Corps and the subsequent reduction in income being received through the day's pay giving scheme will always be of concern, the highest risk currently identified lies with the Charity's investment portfolio. Events in 2022 have adversely influenced international markets resulting in a significant loss of value. Underspend accumulated during the COVID pandemic mitigated the impact of this loss.

OBJECTS AND ACTIVITIES

Public benefit

We provide public benefit by assisting REME regular and reserve personnel to more effectively perform their roles and duties within the British Army. We support their families and the retired veteran community and their families by enhancing esprit de corps through promoting the concept of support to the REME family for life. We do this by providing funding for benevolence, welfare, communications, activities, social gatherings and events. This assistance enables Service personnel to face the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, mental health and morale.

We promote the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it, including the defence of the United Kingdom and its interests. By supporting the wider REME family we assist the Government in fulfilling its promise in the Armed Forces Covenant to treat serving personnel, veterans and their families fairly.

Through our support to the REME Museum we preserve the heritage of the Corps of REME through collecting and conserving appropriate artefacts, memorabilia and memories for future generations and communicate the story of REME and the people who served in the Corps to the visiting public and to the wider audience online.

Objectives

The REME Charity is independent of military authorities, a status we further enhanced through the appointment of a civilian Chief Executive Officer in 2021. It undertakes a crucial function as the needs and ambitions of the REME family go beyond the bounds of the resources and policies of the Army and MoD. The three pillars of our support to the REME family are:

- 1) To promote the efficiency of REME and foster esprit de corps;
- 2) To relieve either generally or individually necessitous persons being members or former members of REME or their dependants (beneficiaries); and
- 3) To support charitable purposes for the benefit of beneficiaries.

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

These objectives allow the charity to provide support to REME regular, reserve and retired personnel and their families. This is done through the provision of grants to groups or individuals and through fostering connections which promote REME efficiency, ethos and comradeship, giving members a sense of belonging to the REME family.

STRATEGY

In 2022, the Board of Trustees devised the REME Charity Strategy 2022 – 2025, articulating how the Charity aims to interpret and fulfil its objectives, prioritise resources and ensure capabilities for the next 3 years. It formed the basis of the workplan, recruitment and associated activities for the executive.

2022 charitable objectives, themes and activities

The Charity carried high cash levels in its accounts accrued from underspent funds of 2020 and 2021 (due to COVID 19). In 2022 we supported 376 (305 in 2021) individual cases with financial support amounting to £227,632 (£194,537 in 2021), with average grants of £605 (£638 in 2021). The Board of Trustees furthermore agreed to donate £85,000 to the ABF, the Soldiers' Charity, in support of their welfare work.

The REME Charity is proud to support the Corps' own mental health project 'Lifting the Decks'. 2022 saw the project evolve into the 'What's on your Mind?' campaign, offering early support for issues, preventing escalations and crises. Counselling access, respite breaks, comrade visits and signposting to professional support are all part of the programme, designed to tackle problems sooner rather than later and to offer choice to the service user. In addition, the Corps Welfare Officer travelled on average 1,758 miles per month on comrade visits, to lend support or to assess an issue.

The programme was launched in early December and information materials continue to be distributed to the REME Battalions and Veterans Associations. The project continued to inspire members of the Corps to join in fundraising activities such as the 'Virtual 10k' in May and the 'Lifting the Decks' challenge in late summer, plus numerous individual efforts.

In 2022, the Corps of the REME received a new Colonel in Chief, her Royal Highness, the Countess of Wessex. To mark her arrival, the REME Institution presented her with a brooch representing the REME cap badge.

REME team sports, reunions, mess events and other gatherings took place once again, after years of COVID restrictions, and were well supported by the Charity.

The Charity funded 64 adventurous training events at a total cost of over £46k.

The 36 sports teams (2021:34) were funded for a total of £262,960. In 2022 the REME Chess team received financial support for the first time. The annual grassroots skiing event EXERCISE SUPREME GLACIER took place later than usual in December 2022, thus avoiding prevailing travel restrictions in Europe, which were still in place at its initially planned date earlier in the year.

The REME Association held 10 events in 2022 and attracted 160 veterans to their annual Reunion in Nottingham and many also came to the annual Memorial event at the National Memorial Arboretum in late September, marking the Corps' 80th birthday.

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

We supported 150 bereaved families by supplying coffin drapes, buglers, standard bearers, berets, flags etc at veteran's funeral. The Association Development Officer attended 20 funerals in person in 2022, including at Royal Hospital Chelsea.

The creation of supporting communities amongst the REME Family and the connections between those in active service and those retired from the Corps continues to be a strategic priority for 2023. The Association Development Officer receives 5-10 calls per day and same number of emails. Requests are extremely wide-ranging, varying from mental health issues, physical and financial assistance, branch information, disputes, relocation or just a chat!

The Armed Forces Covenant awarded the Charity a grant of £25k to create a digital support platform for Afghanistan conflict veterans. After some initial recruitment issues, the project is well underway by the end of 2022 and will culminate in a redesigned website in spring 2023.

The REME Association Job Agency (RAJA) held two job fairs in 2022. In March the venue was Catterick and attracted 44 exhibitors from across many industry sectors with just under 100 Corps leavers. The October event in Lyneham saw 168 leavers engage with 102 exhibitors.

The REME Association, the REME Institution, the REME Messes as well as the REME Museum receive annual grants from the Charity. Any unused funds return to the Charity. The REME Museum was allocated an extraordinary grant for repairs to flooring in some galleries.

'The Craftsman' magazine continued to be distributed to a 4,500 strong readership.

2022 also saw the inauguration of the REME Arkwright Scholarship. Three scholarships for Sixth Form students of STEM subjects for the duration of 2 years were awarded to lucky recipients. In addition to the £1,150 per annum, the successful candidates will receive ongoing mentoring from a senior officer and be invited to visits to REME RHQ in Lyneham. The aim of the scholarship is to promote the attractiveness of a career in the Corps and to nurture interest in STEM subjects.

ACHIEVEMENTS AND PERFORMANCE

Income generation

The majority of the REME Charity's funding is derived via the Day's Pay Scheme (in the region of (IRO) 41% of all income). Serving personnel surrender a portion of their pay to the Charity. In 2022 94% of regular Officers and 75% of regular other ranks participated in the scheme. 37% of reservist officers and 30% of reservist other ranks participate.

The Charity received 4 legacies amounting to £7,100, which demonstrates the esteem in which the REME Charity is held by retired Corps members.

The Virtual 10k Challenge in May 2022, organised by WO2 Gary Hooson, was a most successful fundraising campaign, collecting IRO £14k for the Charity in aid of the 'Lifting the Decks' project.

The Charity holds accounts portfolios with Sarasin & Partners and Blackrock Armed Forces Income and Growth Fund.

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

At 31 December 2022 they reported:

- Sarasin main portfolio: £12,800,750 (2021: £13,195,370);
- Sarasin resilience portfolio: £nil (2021: £1,011,624); and
- Blackrock: £262,437 (2021: £304,973).

The overall capital invested was £13,063,187 (2021: £14,511,967), a decrease of £1,448,780. The Charity's investments experienced an unprecedented devaluation due to global events from early 2022. At the beginning of the year, the two portfolios held with Sarasin were merged. All dividends achieved were reinvested, no capital was removed and the proceeds of the sale of a Charity owned property were added to the main investment portfolio during the year.

FINANCIAL REVIEW

A decision was made by the trustees to write off the Heritage Assets below £3,000 and Tangible Fixed Assets below £2,000 to streamline the management of the assets. As the organisation holds a large number of assets, this policy change allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high value heritage assets.

From an accounting presentation perspective this is shown a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Income

The total income of the REME Charity as of 31 December 2022 was £2,393,542 which, in addition to income generation channels and activities mentioned above, includes £255,267 of services and facilities donated by the MoD.

Expenditure

Expenditure for the year was £3,327,460 and comprised £1,045,802 in esprit de corps activity, £470,089 in grants, £441,104 on the museum and £342,461 on income generation cost. Other expenditure relates to a loss on disposal of heritage and fixed assets of £1,028,004 as a result of the changes to the capitalisation thresholds across the group. This does not reflect any reduction in the overall value of the organisations assets or its financial health.

Reserves policy

The Trustees review the reserves policy and quantum of related investments during the annual budgetary cycle in the autumn of each year. The aim is to ensure the amount held in reserves and investments is adequate to mitigate against potential financial threats and to provide a secure base to meet future requirements and fulfil the objectives of the Charity over the long term.

The Charity identified a number of risks potentially impacting current income streams:

- The Charity is heavily dependent on current members of the Corps supporting the Day's Pay Giving Scheme (41% of total income). Any major change in the structure or strength of the Corps could impact the levels of future support available to Corps members;

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

- The Charity is reliant on the MoD administering the Day's Pay Giving Scheme and for the provision of infrastructure, utilities, IT systems, office supplies and a proportion of staff costs. If these MoD donated services were to be withdrawn, the Charity would suffer a strategic shock for which adequate reserve provision should be made; and
- The performance of the Charity's investment portfolio is subject to global market movements. While the present value of the portfolio produces (generally) 16% of total required income, the value and/or dividend income can fluctuate, potentially markedly, due to market volatility.

To mitigate the identified financial risks, adequate reserves are required to meet the Charity's objectives. Reserves should be able to meet potential strategic shocks and increases in demands whilst also enabling the Trustees to deliver the Charity's objectives. The Charity's commitment is to support the REME Family now and particularly in the future.

Therefore, the Trustees have assessed the level of reserves and related investments required to meet these contingencies and mitigate against the current risk profile, to be in the range of £18 million. The Charity's reserves are composed of designated funds to secure long term support of the charitable objectives.

Financial position

The Trustees consider that the assets held by the charity enable the fund to meet its foreseen future obligations. Given the charity's current level of reserves, including investment assets of over £13m and £880k of cash, the Trustees consider that the charity will continue as a going concern at current spending levels for a period of at least 8 years from the date on which these financial statements are approved. The Trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(c) to the financial statements.

Dependency on donors

The viability of the Charity is highly dependent on the goodwill and donations of REME serving soldiers and veterans, with their contribution making up 41% of the Charity's income.

Fundraising practices

The REME Charity is registered with the Fundraising Regulator and we take care to ensure we comply with the Code of Fundraising practice. The majority of our fundraising is in the form of events and challenges. All are subject to relevant risk assessments and in FY2022 and to date, there have been no instances of non-compliance with the requirements. The REME Charity does not contract other companies to undertake fundraising on our behalf, nor do we use telephone direct marketing. The charity has received no complaints during the year.

PLANS FOR FUTURE PERIODS

The Board of Trustees devised the REME Charity Strategy 2022-2025 during a workshop in early 2022. The Strategy considers the findings and directives of a range of authoritative and advisory documents and publications, including:

- UK Armed Forces Families Strategy, Ministry of Defence;
- Veterans' Strategy Action Plan, Office for Veterans' Affairs;
- Map of Need, Armed Forces Covenant Trust;
- The Army Charities Strategy 2022; and
- The REME Charity Impact Survey 2021.

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

The strategic development process also included consultation with Colonel REME, the executive head of the Corps; the Corps Artificer Sergeant Major, the Corps' senior soldier; Charity welfare staff; and the REME Charity Advisory Board. Such consultation contributed to a well-argued and rounded view of our future targets.

The Board rearticulated the Charity's vision:

“Our vision is to be the source of support, belonging and connection to the REME Family, now and always”.

The Trustees set a series of strategic objectives, whose fulfilment, taken together, will realise the Charity's vision. These objectives are expressed as an end state for the charity at the conclusion of the plan. The end state will be a charity that:

- Is known, relevant and trusted by the whole REME Family and other organisations;
- Balances its outputs today with financial resilience tomorrow;
- Exists to enhance the wellbeing of the many and of the one;
- Promotes and enhances the reputation and legacy of the Corps; and
- Presents and promotes Corps heritage to engender a sense of belonging and identity.

The objectives were further supported by the Advisory Group, through online consultation. This group, formed in February 2022, is composed of members of all strata of the REME Family and acts as a critical friend. It ensures that the voices of beneficiaries are continually represented in the decision-making processes at strategic levels.

To meet the strategic objectives, the Charity will continue to improve connectivity of the widespread REME Family, particularly via digital platforms, including REME CONNECT and social media. The Charity recruited a Digital Communications Officer in August 2022.

To better support the Charity's activities, we introduced new accounting software (XERO) in early 2022. This user-friendly package gives immediate access to information, greater transparency and better management accounts to budget holders. The treasury team added a Finance Manager to their ranks, to improve internal accounting processes.

In the absence of dedicated fundraising staff, we invested in a fundraising platform (Enthuse.com) in early 2022, which affords the opportunity to communicate and administrate not only charity-originating events and activities but also a platform for our support community to set up their own events and challenges.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with 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 REME Charity

Report of the Trustees

For the year ended 31 December 2022

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 4 May 2023 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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 statements 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of 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.

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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 ISAs (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 the 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

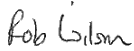
To the members of

The REME Charity

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 4 May 2023

Rob Wilson FCA

(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The REME Charity

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	3	285,154	1,414,057	1,699,211	1,888,415
Charitable activities	5	-	47,560	47,560	34,327
Other trading activities	6	571	253,709	254,280	194,937
Investments	7	21,229	371,262	392,491	394,231
Total income		<u>306,954</u>	<u>2,086,588</u>	<u>2,393,542</u>	<u>2,511,910</u>
Expenditure on:					
Raising funds		3,568	338,893	342,461	434,844
Charitable activities:					
Benevolence grants		21,969	448,120	470,089	438,030
Esprit de corps		233,650	812,152	1,045,802	895,522
Museum		-	441,104	441,104	507,622
Other expenditure		-	1,028,004	1,028,004	-
Total expenditure	8	<u>259,187</u>	<u>3,068,273</u>	<u>3,327,460</u>	<u>2,276,018</u>
Net income / (expenditure) before investment gains / (losses)		47,767	(981,685)	(933,918)	235,892
Net gains/ (losses) on investments		<u>262,722</u>	<u>(2,065,256)</u>	<u>(1,802,534)</u>	<u>878,581</u>
Net income/ (expenditure)		310,489	(3,046,941)	(2,736,452)	1,114,473
Other recognised gains / (losses):					
Gains/ (losses) on revaluation of heritage assets	14	-	-	-	68,145
Net movement in funds	9	310,489	(3,046,941)	(2,736,452)	1,182,618
Reconciliation of funds:					
Total funds brought forward		<u>3,872,400</u>	<u>16,728,507</u>	<u>20,600,907</u>	<u>19,418,289</u>
Total funds carried forward		<u><u>4,182,889</u></u>	<u><u>13,681,566</u></u>	<u><u>17,864,455</u></u>	<u><u>20,600,907</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24 to the accounts.

The REME Charity

Consolidated balance sheets

As at 31 December 2022

	Note	The group 2022 £	The group 2021 £	The charity 2022 £	The charity 2021 £
Fixed assets					
Tangible assets	13	1,316,805	1,398,947	962,242	1,156,602
Heritage assets	14	2,340,077	3,098,635	348,601	386,151
Mixed motive investments	15	43,224	43,224	43,224	43,224
Fixed asset investments	16	13,063,187	14,511,967	13,063,187	14,511,967
Investment property	17	-	460,000	-	460,000
		16,763,293	19,512,773	14,417,254	16,557,944
Current assets					
Stocks	18	214,715	191,738	150,978	145,042
Debtors	19	164,086	148,631	132,279	94,675
Cash at bank and in hand		881,816	859,688	790,477	712,571
		1,260,617	1,200,057	1,073,734	952,288
Liabilities					
Creditors due within 1 year	20	(146,351)	(108,899)	(294,187)	(281,088)
Net current assets		1,114,266	1,091,158	779,547	671,200
Total assets less current liabilities		17,877,559	20,603,931	15,196,801	17,229,144
Creditors due after more than 1 year		(13,104)	(3,024)	(13,104)	(3,024)
Net assets	23	17,864,455	20,600,907	15,183,697	17,226,120
Funds	24				
Restricted funds		4,182,889	3,872,400	4,180,564	3,869,830
Unrestricted funds					
Designated funds		2,724,197	3,462,125	110,000	90,000
General funds		10,957,369	13,266,382	10,893,133	13,266,290
Total charity funds		17,864,455	20,600,907	15,183,697	17,226,120

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 4 May 2023 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2022

	2022	2021
	£	£
Cash used in operating activities:		
Net movement in funds	(2,736,452)	1,182,618
Adjustments for:		
Loss / (profit) on the disposal of tangible assets	212,446	-
Depreciation charges	68,626	95,102
Donation of heritage assets	(33,000)	(59,900)
Revaluation (gains) / losses on heritage assets	-	(68,145)
Loss / (profit) on the disposal of heritage assets	815,558	184,180
(Gains) / losses on investments	1,802,534	(878,581)
Dividends, interest and rents from investments	(392,491)	(394,231)
Decrease / (increase) in stock	(22,977)	58,641
Decrease / (increase) in debtors	(15,455)	9,564
Increase / (decrease) in creditors	47,532	22,293
Net cash provided by / (used in) operating activities	(253,679)	151,541
Cash flows from investing activities:		
Dividends, interest and rents from investments	392,491	394,231
Purchase of tangible fixed assets	(198,930)	(101,785)
Purchase of heritage assets	(24,000)	(21,460)
Purchase of investments	(986,669)	(424,509)
Disposal proceeds on sale of fixed asset investments	586,669	-
Disposal proceeds on sale of investment property	506,246	-
Net cash provided by / (used in) investing activities	275,807	(153,523)
Increase / (decrease) in cash and cash equivalents in the year	22,128	(1,982)
Cash and cash equivalents at the beginning of the year	859,688	861,670
Cash and cash equivalents at the end of the year	881,816	859,688

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The REME Charity 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 notes for investments (notes m, n, o) and heritage assets (note l).

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiaries, The Corps of Royal Electrical and Mechanical Engineers Museum (charity registration number 272740) and The REME Trading Company Limited (company number 10258502) on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent and its subsidiaries are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

In accordance with Charity Commission guidance, all linked charities per a Scheme dated 28 October 2016 are required to be reported as restricted funds. The linked charities comprise:

- Royal Electrical and Mechanical Engineers Central Charitable Trust (charity no. 1165868-1);
- The Royal Electrical and Mechanical Engineers' Benevolent Fund (charity no. 1165868-2);
- Royal Electrical and Mechanical Engineers' Hotel Fund (charity no. 1165868-3 - now closed and removed from the register); and
- The General Fund of the Royal Electrical and Mechanical Engineers Sports Association (charity no. 1165868-4).

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

d) Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received for advertising in advance of publication is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on the proportion of direct costs, as follows:

	2022	2021
Raising funds	15.2%	19.1%
Charitable activities:		
Benevolence grants	20.9%	19.2%
Esprit de corps	46.4%	39.4%
Museum	17.5%	22.3%

j) Grants payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

k) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Yachts	10 years straight line to residual value of £70,000
Furniture and equipment	3 - 10 years straight line basis
Corps items	Not depreciated

Items of equipment are capitalised where the purchase price exceeds £2,000.

The REME Collection ("Corps items"), which has been built up over many years, reflects the wide range of artefacts ranging from wooden carvings, paintings, silver pieces, furniture and many trinkets and items of an ornamental nature. Corps items are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. Items are initially recorded at cost when an acquisition has been made by purchase. The items are periodically revalued and any gain or loss arising on revaluation will be posted to the statement of financial activities. Methods of valuation are given in note 1 (l) below.

l) Heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

l) Heritage assets (continued)

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the silver and artwork and recourse to the many websites, trade magazines, auction houses and professional catalogues. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and occasionally written valuations are unavailable.

The assets are generally valued at 50% of insurance value. The heritage assets were not revalued in 2022 but during the year ended 31 December 2021 all artworks and silverware was revalued by Madley Associates, fellows of the National Association of Valuers and Auctioneers.

The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. All heritage assets are reviewed for impairment annually and any charge taken to the SoFA.

Only items valued at more than £3,000 will be capitalised as heritage assets.

m) Mixed motive investments

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Fine art is held at fair value.

n) Investment property

Investment properties are included in the balance sheet at fair value and are not depreciated. Changes in fair value are recognised in the statement of financial activities. Investment property is professionally revalued every two years, and informally reviewed for impairment annually.

o) Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

p) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

q) Debtors

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

r) Cash at bank and in hand

Cash at bank and cash 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.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

s) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

u) Pension costs

The charitable company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

v) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

w) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1k to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Revaluations

Heritage assets, mixed motive investments and investment property are stated at estimated fair value based on periodic valuations, as disclosed in notes 1m, 1n and 1o.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

w) Accounting estimates and key judgements (continued)

Derecognition of assets

The decision to write off heritage assets below £3k and tangible fixed assets below £2k was made by the trustees in order to streamline the management of assets for the group.

As the organisation holds a large number of assets, this policy allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high-value heritage assets. This change has resulted in a loss on disposal of heritage assets of £815,558 and tangible fixed assets of £58,864. From an accounting presentation perspective this is shown as a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations and legacies	418,453	1,469,962	1,888,415
Charitable activities	-	34,327	34,327
Other trading activities	421	194,516	194,937
Investments	32,624	361,607	394,231
Total income	451,498	2,060,412	2,511,910
Expenditure on:			
Raising funds	12,307	422,537	434,844
Charitable activities:			
Benevolence grants	135,391	302,639	438,030
Esprit de corps	210,335	685,187	895,522
Museum	10,882	496,740	507,622
Total expenditure	368,915	1,907,103	2,276,018
Net income before investment gains	82,583	153,309	235,892
Net gains on investments	45,481	833,100	878,581
Net income	128,064	986,409	1,114,473
Transfers between funds	17,190	(17,190)	-
Other recognised gains / (losses):			
Gains on revaluation of heritage assets	-	68,145	68,145
Net movement in funds	145,254	1,037,364	1,182,618

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

3. Income from donations and legacies

	Restricted £	Unrestricted £	2022 Total £
Subscriptions - retired officers	28,702	-	28,702
Subscriptions - serving officers	130,492	130,492	260,984
Subscriptions - museum (gold card)	-	93,867	93,867
Subscriptions - other ranks	49,707	578,538	628,245
Sports association grants	35,000	-	35,000
MOD grant in aid	-	181,754	181,754
Other donations	34,253	80,017	114,270
Donated heritage assets	-	33,000	33,000
Legacies	7,000	100	7,100
Donated investment management services	-	97,659	97,659
Donated services and facilities *	-	218,630	218,630
Total income from donations and legacies	285,154	1,414,057	1,699,211

Prior period comparative

	Restricted £	Unrestricted £	2021 Total £
Subscriptions - retired officers	13,580	20,370	33,950
Subscriptions - serving officers	125,947	125,947	251,894
Subscriptions - museum (gold card)	-	97,487	97,487
Subscriptions - other ranks	59,748	569,644	629,392
Sports association grants	50,000	-	50,000
MOD grant in aid	-	178,374	178,374
Other donations	45,937	63,617	109,554
Donated heritage assets	-	60,050	60,050
Legacies	123,241	-	123,241
Donated investment management services	-	99,206	99,206
Donated services and facilities *	-	255,267	255,267
Total income from donations and legacies	418,453	1,469,962	1,888,415

* Donated services and facilities consists of:

	2022 £	2021 £
Donated staff time	189,428	202,458
Donated facilities - office premises, equipment and utilities	29,202	52,809
	218,630	255,267

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence (and in 2021 from the Coronavirus Job Retention Scheme) to fund charitable activities. The total value of such grants in the period ending 31 December 2022 was £181,754 (2021: £185,668). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

	Restricted £	Unrestricted £	2022 Total £
Museum admission	-	42,675	42,675
Children's activities	-	2,067	2,067
Museum research	-	946	946
Development fund grant income	-	1,872	1,872
Total income from charitable activities	-	47,560	47,560

Prior period comparative

	Restricted £	Unrestricted £	2021 Total £
Museum admission	-	31,375	31,375
Children's activities	-	1,895	1,895
Museum research	-	664	664
Development fund grant income	-	393	393
Total income from charitable activities	-	34,327	34,327

6. Income from other trading activities

	Restricted £	Unrestricted £	2022 Total £
REME trading income	-	172,440	172,440
Sponsorship	-	25,850	25,850
Other fundraising	571	55,419	55,990
Total income from other trading activities	571	253,709	254,280

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

6. Income from other trading activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2021 Total £
REME trading income	-	142,761	142,761
Sponsorship	-	33,520	33,520
Other fundraising	421	18,235	18,656
Total income from other trading activities	421	194,516	194,937

7. Income from investments

	Restricted £	Unrestricted £	2022 Total £
Income from listed investments	18,249	370,340	388,589
Property income	2,980	-	2,980
Bank interest	-	922	922
Total income from investments	21,229	371,262	392,491

Prior period comparative:

	Restricted £	Unrestricted £	2021 Total £
Income from listed investments	15,396	361,472	376,868
Property income	17,228	-	17,228
Bank interest	-	135	135
Total income from investments	32,624	361,607	394,231

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

8. Total expenditure

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Other expenditure £	Support and governance costs £	2022 Total £
REME Museum	-	-	-	19,354	-	-	19,354
REME Institution (Officers' club)	-	-	49,712	-	-	-	49,712
REME Trading	113,816	-	-	-	-	-	113,816
Officers Mess functions and costs	-	-	9,080	-	-	-	9,080
Grants payable (note 12)	-	325,202	525,975	-	-	-	851,177
REME Sports	-	-	20,307	-	-	-	20,307
Association events and costs	-	-	27,208	-	-	-	27,208
REME Corps Sergeants' Mess	-	-	22,866	-	-	-	22,866
Office expenses	-	-	-	-	-	99,747	99,747
Repairs and maintenance	-	-	-	-	-	20,861	20,861
Depreciation	-	-	-	46,315	-	22,311	68,626
Loss on disposal of assets	-	-	-	-	1,028,004	-	1,028,004
Corps recruiting	-	-	5,490	-	-	12,724	18,214
Fundraising and investment property costs	11,427	-	-	-	-	-	11,427
Publication costs	-	-	96,660	-	-	-	96,660
Staff costs (note 10)	111,711	92,881	173,046	331,890	-	28,091	737,619
Insurance	-	-	-	-	-	7,146	7,146
Trustee expenses	-	-	-	-	-	2,286	2,286
Donated facilities	-	-	-	-	-	29,202	29,202
Investment manager fees	67,684	-	-	-	-	-	67,684
Legal and professional	-	-	-	-	-	26,464	26,464
Sub-total	304,638	418,083	930,344	397,559	1,028,004	248,832	3,327,460
Allocation of support and governance costs	37,823	52,006	115,458	43,545	-	(248,832)	-
Total expenditure	342,461	470,089	1,045,802	441,104	1,028,004	-	3,327,460

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

8. Total expenditure - prior period comparative

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2021 Total Restated £
REME Museum	-	-	-	27,669	748	28,417
REME Institution (Officers' club)	-	-	7,909	-	3,618	11,527
REME Trading	140,985	-	-	-	-	140,985
Officers Mess functions and costs	-	-	60,386	-	-	60,386
Grants payable (note 12)	-	267,036	360,585	-	-	627,621
Association events and costs	-	-	18,184	-	-	18,184
REME Corps Sergeants' Mess	-	-	21,658	-	-	21,658
Office expenses	-	-	135	-	78,672	78,807
Repairs and maintenance	-	-	-	-	3,960	3,960
Depreciation	-	-	-	52,059	43,043	95,102
Loss on disposal of assets	-	-	-	42,510	141,670	184,180
Corps recruiting	-	-	37,547	-	-	37,547
Fundraising and investment property costs	40,830	-	-	-	-	40,830
Publication costs	-	-	106,568	-	-	106,568
Staff costs (note 10)	104,926	90,511	118,007	292,114	27,247	632,805
Insurance	-	-	-	-	6,428	6,428
Trustee expenses	-	-	-	-	772	772
Donated facilities	-	-	-	-	52,809	52,809
Investment manager fees	68,205	-	-	-	-	68,205
Legal and professional	-	-	-	-	59,227	59,227
Sub-total	354,946	357,547	730,979	414,352	418,194	2,276,018
Allocation of support and governance costs	79,898	80,483	164,543	93,270	(418,194)	-
Total expenditure	434,844	438,030	895,522	507,622	-	2,276,018

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

9. Net movement in funds

This is stated after charging:

	2022 £	2021 £
Depreciation	68,626	95,102
Loss on disposal of assets	1,028,004	184,180
Operating lease payments	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	2,286	772
Auditors' remuneration:		
▪ Statutory audit (including VAT)	19,548	18,060
▪ Consultancy (including VAT)	5,928	1,920

Trustees' reimbursed expenses comprise travel, subsistence and accommodation costs relating to 3 trustees (2021: 4 trustees).

Total governance costs were £21,834 (2021: £18,831).

10. Staff costs and numbers

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	472,115	372,901
Social security costs	34,844	23,077
Pension costs	24,137	8,761
Donated salaries	189,428	202,459
Freelance staff	17,095	25,607
	737,619	632,805

One employee earned more than £60,000 during the year (2021: no employees).

The key management personnel of the charitable company comprise the CEO and Museum Director (2021: CEO, Operations Manager, Museum Director and Corps Secretary). The total employee benefits of the key management personnel paid by the charity and recognised as a gift in kind were £113,335 and £nil respectively (2021: £80,763 and £28,905).

	2022 No.	2021 No.
Average number of employees (head count):	23	20

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

12. Grants payable

	Individuals £	Institutions £	Total 2022 £
Benevolence	234,952	90,250	325,202
REME Sports	-	262,960	262,960
Discretionary grants	-	168,671	168,671
Adventurous and enterprising activities	-	45,932	45,932
REME Corps Sergeants' Mess	-	29,899	29,899
Officers Mess	-	18,513	18,513
	234,952	616,225	851,177

Prior period comparative

	Individuals £	Institutions £	Restated Total 2021 £
Benevolence	164,854	95,000	259,854
REME Sports	-	258,371	258,371
Discretionary grants	-	77,498	77,498
Lyneham funding (D12)	-	16,645	16,645
Adventurous and enterprising activities	-	14,903	14,903
REME Corps Sergeants' Mess	-	350	350
	164,854	462,767	627,621

The charity's grant making activities are characterised by large numbers of small grants, paid to support serving and retired soldiers and officers of the REME Corps. Individual grants are rarely made direct to the individual beneficiary. Grants are usually processed via a third party organisation such as the Army Benevolent Fund; the Soldiers' Charity (ABF), The Sailors, Soldiers and Air Force Institution (SSAFA), or the Royal British Legion (RBL). If the beneficiary is a serving soldier, a grant is processed through the unit welfare organisation.

The trustees consider all grants paid to institutions over £25,000, which require trustee board approval, to be material in the context of the accounts. The total amount of grants paid over this amount in 2022 was 1, to the Army Benevolent Fund for £85,000 (2021: 1, for £85,000, to the Army Benevolent Fund). There were no other committed grants at 31 December 2022. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

13. Tangible fixed assets

Group	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2022	280,000	1,133,259	833,724	2,246,983
Additions in year	-	198,930	-	198,930
Disposals	-	(367,604)	(153,583)	(521,187)
At 31 December 2022	<u>280,000</u>	<u>964,585</u>	<u>680,141</u>	<u>1,924,726</u>
Depreciation				
At 1 January 2022	82,500	765,536	-	848,036
Charge for the year	9,500	59,126	-	68,626
Disposals	-	(308,741)	-	(308,741)
At 31 December 2022	<u>92,000</u>	<u>515,921</u>	<u>-</u>	<u>607,921</u>
Net book value				
At 31 December 2022	<u>188,000</u>	<u>448,664</u>	<u>680,141</u>	<u>1,316,805</u>
At 31 December 2021	<u>197,500</u>	<u>367,723</u>	<u>833,724</u>	<u>1,398,947</u>
		Furniture and equipment	Corps items	Total
Charity	Yachts £	£	£	£
Cost				
At 1 January 2022	280,000	192,498	833,724	1,306,222
Additions in year	-	10,464	-	10,464
Disposals	-	(34,545)	(153,583)	(188,128)
At 31 December 2022	<u>280,000</u>	<u>168,417</u>	<u>680,141</u>	<u>1,128,558</u>
Depreciation				
At 1 January 2022	82,500	67,120	-	149,620
Charge for the year	9,500	12,810	-	22,310
Disposals	-	(5,614)	-	(5,614)
At 31 December 2022	<u>92,000</u>	<u>74,316</u>	<u>-</u>	<u>166,316</u>
Net book value				
At 31 December 2022	<u>188,000</u>	<u>94,101</u>	<u>680,141</u>	<u>962,242</u>
At 31 December 2021	<u>197,500</u>	<u>125,378</u>	<u>833,724</u>	<u>1,156,602</u>

During the year, the REME Charity, the REME Museum and REME Trading de-recognised tangible fixed assets with a cost less than £2,000. This has resulted in an extraordinary disposal of tangible fixed assets during the year ended 31 December 2022. This is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

14. Heritage assets

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	3,098,635	4,105,773	386,151	1,353,060
Additions	57,000	81,360	24,000	78,990
Disposals	(815,558)	(184,180)	(61,550)	(141,670)
Revaluations	-	68,145	-	68,234
Reclassification to tangible fixed assets	-	(929,239)	-	(929,239)
Reclassification to mixed motive investment	-	(43,224)	-	(43,224)
At 31 December 2022	<u>2,340,077</u>	<u>3,098,635</u>	<u>348,601</u>	<u>386,151</u>

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

During the year, the REME Charity and the REME Museum de-recognised all heritage assets with a value less than £3,000 and this has resulted in an extraordinary disposal of heritage assets during the year ended 31 December 2022. This is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Five year summary of heritage asset transactions:

	2022	2021	2020	2019	2018
	£	£	£	£	£
Additions:					
Purchases	24,000	21,460	340	-	23,698
Donations	33,000	59,900	2,286	5,981	6,130
Total additions	<u>57,000</u>	<u>81,360</u>	<u>2,626</u>	<u>5,981</u>	<u>29,828</u>
Disposals:					
Carrying value	(815,558)	(184,180)	1,663	580	30
Proceeds	-	-	-	-	-
Revaluations	-	68,145	(9,539)	609,667	-

The REME Charity heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'. Other assets are of significance to the Corps but are not held as heritage assets. These items were reclassified as non-depreciable tangible fixed assets during 2021.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

14. Heritage assets (continued)

The REME Charity heritage assets (continued)

Further detail on the recognition and valuation of these assets is given in notes 1 (k) and (l).

The REME Museum heritage assets

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

15. Mixed motive investments

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	43,224	-	43,224	-
Reclassification from heritage assets	-	43,224	-	43,224
At 31 December 2022	43,224	43,224	43,224	43,224

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

15. Mixed motive investments (continued)

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Historically, the paintings were included within heritage assets but were reclassified in 2021 to better reflect the nature of the asset. The fine art collection is held at fair value and will be revalued every 5 years.

16. Fixed asset investments

	2022 £	2021 £
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2022	304,973	278,210
Unrealised gains / (losses)	(42,536)	26,763
As at 31 December 2022	<u>262,437</u>	<u>304,973</u>
Sarasin Funds - all listed		
Market value at 1 January 2022	14,206,994	12,890,667
Additions	986,669	424,509
Disposals	(586,669)	-
Realised gains / (losses)	(63,331)	-
Unrealised gains / (losses)	(1,742,913)	891,818
As at 31 December 2022	<u>12,800,750</u>	<u>14,206,994</u>
Total investments	<u>13,063,187</u>	<u>14,511,967</u>

Included within investments are amounts held on behalf of other REME organisations, as follows:

	2022 %	2021 %	Market value 2022 £	2021 £
REME Benevolent Fund	0.3445%	0.3553%	44,098	51,171
REME HQ Officers Mess	3.6536%	3.7680%	467,697	542,693
REME Association	2.9243%	3.0159%	374,341	434,368
REME Museum	2.3717%	2.4459%	303,594	350,602
REME Institution	3.0350%	0.0000%	388,506	-
			<u>1,578,236</u>	<u>1,378,834</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

17. Investment property

The charity sold Judnick House, a residential investment property, during the year. Prior to disposal, the property was held at fair value based on a desktop market valuation obtained from an estate agent, Frank Schippers, dated 2 December 2021.

	2022 £	2021 £
Market value at 1 January 2022	460,000	500,000
Revaluation gains	-	(40,000)
Disposal proceeds	(506,246)	-
Realised gain	46,246	-
Market value at 31 December 2022	-	460,000

18. Stock

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
REME Trading stock for resale	63,737	46,696	-	-
Finished goods including wine for resale	150,978	145,042	150,978	145,042
	214,715	191,738	150,978	145,042

19. Debtors

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
Due within 1 year:				
Trade debtors	3,505	2,109	2,090	1,680
Prepayments and accrued income	159,194	143,170	94,752	89,643
Donation from REME Trading	-	-	34,050	-
Other debtors	1,387	3,352	1,387	3,352
Total debtors	164,086	148,631	132,279	94,675

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

20. Creditors : amounts due within 1 year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	36,545	46,782	36,545	43,962
Social security and other taxes	31,571	13,782	24,109	10,138
Accruals	15,584	25,436	17,793	16,300
Other creditors	30,500	18,374	16,207	18,477
Deferred income	2,087	4,525	2,087	4,525
Funds received as an agent	30,064	-	30,064	-
Intercompany due to REME Museum	-	-	167,382	187,686
	<u>146,351</u>	<u>108,899</u>	<u>294,187</u>	<u>281,088</u>
Due in more than 1 year:				
Other creditors	<u>13,104</u>	<u>3,024</u>	<u>13,104</u>	<u>3,024</u>

21. Deferred income

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	4,525	1,727	4,525	1,727
Deferred during the year	2,087	4,525	2,087	4,525
Released during the year	<u>(4,525)</u>	<u>(1,727)</u>	<u>(4,525)</u>	<u>(1,727)</u>
At 31 December 2022	<u>2,087</u>	<u>4,525</u>	<u>2,087</u>	<u>4,525</u>

Deferred income relates to prepaid advertising income for publications not yet published as at 31 December 2022.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

22. Funds received as an agent

During the year, the charity acted as custodian trustee for funds received by some of the sports clubs and Messes' linked to the REME charity. An analysis of the funds received and paid by the charity is given below. Funds held at year end are detailed in the creditors note (note 20).

	Funds held at 1 January 2022 £	Funds received £	Funds paid £	Funds held at 31 December 2022 £
REME sports	-	167,661	(159,776)	7,885
REME Institution	-	64,766	(63,659)	1,107
REME Officers' Mess	-	24,484	(22,432)	2,052
REME Sergeants' Mess	-	3,650	(2,450)	1,200
Other organisations	-	45,117	(27,297)	17,820
At 31 December 2022	-	305,678	(275,614)	30,064

23. Analysis of group net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	601,425	354,563	360,817	1,316,805
Heritage assets	348,601	1,991,476	-	2,340,077
Mixed motive investments	43,224	-	-	43,224
Fixed asset investments	1,595,310	-	11,467,877	13,063,187
Current assets	1,594,329	378,158	(711,870)	1,260,617
Current liabilities	-	-	(146,351)	(146,351)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2022	4,182,889	2,724,197	10,957,369	17,864,455

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

23. Analysis of group net assets between funds (continued)

Prior year comparative

	Restricted funds £	Designated funds £	General funds £	Restated total funds £
Tangible fixed assets	748,938	239,880	410,129	1,398,947
Heritage assets	386,151	2,712,484	-	3,098,635
Mixed motive investments	43,224	-	-	43,224
Fixed asset investments	1,378,834	-	13,133,133	14,511,967
Investment property	460,000	-	-	460,000
Current assets	855,253	509,761	(164,957)	1,200,057
Current liabilities	-	-	(108,899)	(108,899)
Creditors due after more than 1 year	-	-	(3,024)	(3,024)
Net assets at 31 December 2021	3,872,400	3,462,125	13,266,382	20,600,907

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds

	At 1 January 2022 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2022 £
Restricted funds						
<i>CCT:</i>						
Aliquot Shares	1,378,834	-	-	216,476	-	1,595,310
REME Connect: Afghanistan	-	17,500	(5,201)	-	-	12,299
<i>Linked entities:</i>						
REME Benevolent Fund	-	21,969	(21,969)	-	-	-
HQ Officers Mess	1,673,559	91,865	(55,652)	-	-	1,709,772
REME Sports Association	-	35,000	(24,014)	-	-	10,986
REME Institution	727,804	89,639	(98,433)	46,246	-	765,256
REME Sergeants' Mess	89,633	50,981	(53,673)	-	-	86,941
<i>REME Museum:</i>						
British Museum Project	<u>2,570</u>	<u>-</u>	<u>(245)</u>	<u>-</u>	<u>-</u>	<u>2,325</u>
Total restricted funds	<u>3,872,400</u>	<u>306,954</u>	<u>(259,187)</u>	<u>262,722</u>	<u>-</u>	<u>4,182,889</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued)

	At 1 January 2022 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2022 £
Total restricted funds	3,872,400	306,954	(259,187)	262,722	-	4,182,889
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,842,791	354,621	(1,106,941)	-	-	2,090,471
Museum - development	467,634	104,509	(104,809)	-	-	467,334
REME Trading	61,700	172,440	(177,748)	-	-	56,392
REME Yacht Club Hulls	90,000	-	-	-	20,000	110,000
<i>Total designated funds</i>	<u>3,462,125</u>	<u>631,570</u>	<u>(1,389,498)</u>	<u>-</u>	<u>20,000</u>	2,724,197
General funds	<u>13,266,382</u>	<u>1,455,018</u>	<u>(1,678,775)</u>	<u>(2,065,256)</u>	<u>(20,000)</u>	10,957,369
Total unrestricted funds	<u>16,728,507</u>	<u>2,086,588</u>	<u>(3,068,273)</u>	<u>(2,065,256)</u>	<u>-</u>	13,681,566
Total funds	<u><u>20,600,907</u></u>	<u><u>2,393,542</u></u>	<u><u>(3,327,460)</u></u>	<u><u>(1,802,534)</u></u>	<u><u>-</u></u>	<u><u>17,864,455</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued)

Purposes of restricted funds

Aliquot Shares

The REME Charity's investment portfolio was first created in 1985 from donations from a number of entities. Each of the entities is now inside the REME Charity and their percentage holding in the investment portfolio is expressed as an aliquot share holding.

REME Connect: Afghanistan

The project was created after the evacuation of Kabul in 2021. The project intends to create digital communities of support for REME veterans of Afghanistan and similar recent operations to make a meaningful difference to the veterans' and their families' lives.

Linked entities

The REME Charity was formed from the REME Charities in 2016. The antecedent charities are linked via a Charity Commission Scheme and are; The REME Central Charitable Trust (296030) and the REME Benevolent Fund (246967). The REME Sports Association charity (246967/1) was linked to the REME Benevolent Fund, but it now linked to the REME Charity under the same scheme. Income in these funds represents donations specifically restricted to each area of the charity. Where total expenditure exceeds income available, expenditure is limited to the available restricted funds.

British Museum Project

This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Museum - general

The REME Museum is given an operating budget each year from the REME Charity.

Museum - development

The REME Development fund is to provide funding to develop the Museum. It is not to be spent on administration, but purely on developing exhibits, attracting visitors and generally improving the visitor experience.

REME Trading

The REME Trading Company operates the shop in the REME Museum and online.

REME Yacht Club Hulls

The REME Hulls fund was set up as a saving plan to purchase a new yacht every five years. £20k was deposited during the year.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued)

Prior period comparative

	At 1 January 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2021 £
Restricted funds						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	(5,000)	-
Mrs E Brewin Bequest	671	-	(671)	-	-	-
Aliquot Shares	1,252,663	-	-	85,481	40,690	1,378,834
<i>Linked entities:</i>						
REME Benevolent Fund	-	127,045	(127,045)	-	-	-
HQ Officers Mess	1,672,103	89,795	(88,339)	-	-	1,673,559
REME Sports Association	-	90,000	(90,000)	-	-	-
REME Institution	708,657	84,235	(25,088)	(40,000)	-	727,804
REME Sergeants' Mess	65,771	60,423	(36,561)	-	-	89,633
<i>REME Museum:</i>						
British Museum Project	3,781	-	(1,211)	-	-	2,570
Museum Play Park Fund	18,500	-	-	-	(18,500)	-
Total restricted funds	3,727,146	451,498	(368,915)	45,481	17,190	3,872,400

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued) - prior year comparative

	At 1 January 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2021 £
Total restricted funds	3,727,146	451,498	(368,915)	45,481	17,190	3,872,400
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,824,469	333,063	(333,152)	(89)	18,500	2,842,791
Museum - development	484,962	109,467	(126,795)	-	-	467,634
REME Trading	(12,345)	274,216	(200,171)	-	-	61,700
REME Yacht Club Hulls	60,000	-	-	-	30,000	90,000
<i>Total designated funds</i>	<u>3,357,086</u>	<u>716,746</u>	<u>(660,118)</u>	<u>(89)</u>	<u>48,500</u>	<u>3,462,125</u>
General funds	<u>12,334,057</u>	<u>1,343,666</u>	<u>(1,246,985)</u>	<u>901,334</u>	<u>(65,690)</u>	<u>13,266,382</u>
Total unrestricted funds	<u>15,691,143</u>	<u>2,060,412</u>	<u>(1,907,103)</u>	<u>901,245</u>	<u>(17,190)</u>	<u>16,728,507</u>
Total funds	<u><u>19,418,289</u></u>	<u><u>2,511,910</u></u>	<u><u>(2,276,018)</u></u>	<u><u>946,726</u></u>	<u><u>-</u></u>	<u><u>20,600,907</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

25. Financial instruments at fair value

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Financial assets measured at fair value	<u>13,063,187</u>	<u>14,511,967</u>	<u>13,063,187</u>	<u>14,511,967</u>

Financial assets measured at fair value comprise fixed asset investments.

26. Operating lease commitments

The charity held no operating lease commitments in the current or prior period.

27. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £67,612 (2021: £60,566) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £167,382 was due to the REME Museum (2021: £187,686).

The REME Charity also has control of the REME Trading Company Limited (company registration no. 10258502). The Operations Manager and one of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2022 were £34,050 (2021: £nil). The REME Trading Company donated £51,350 (2021: £nil) and made sales of goods from the shop totalling £39,606 (2021: £31,549) to the REME Charity during the year.

28. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

The consolidated financial statements include the results of The Corps of Royal Electrical and Mechanical Engineers Museum (the REME Museum), charity number 272740. The REME Charity is deemed to have control over the REME Museum by having sole corporate trusteeship. The REME Museum contributes to the esprit de corps objects of The REME Charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

28. Subsidiary undertakings (continued)

Results for the period

	2022	2021
	£	£
Gross income	536,058	442,619
Expenditure	(1,208,930)	(461,158)
Results for the year (excluding gains / losses)	<u>(672,872)</u>	<u>(18,539)</u>

Net assets

	2022	2021
	£	£
Assets	2,649,279	3,323,541
Liabilities	(9,066)	(10,456)
Total museum funds	<u>2,640,213</u>	<u>3,313,085</u>

The REME Trading Company Limited

The consolidated financial statements include the results of The REME Trading Company Limited (REME Trading), company number 10258502. REME Trading was incorporated to operate the cafe and shop situated within the REME museum. The REME Charity is deemed to have control over REME Trading, the directors of REME Trading being key management personnel of The REME Charity.

Results for the period

	2022	2021
	£	£
Turnover	212,046	174,310
Cost of sales	(113,538)	(140,985)
Gross profit	98,508	33,325
Other operating income	-	99,906
Administrative expenses	(67,198)	(59,186)
Operating profit / (loss)	31,310	74,045
Tax on profit / (loss)	-	-
Profit for financial year	<u>31,310</u>	<u>74,045</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

28. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2022 £	2021 £
Assets	85,556	66,741
Liabilities	<u>(44,593)</u>	<u>(5,041)</u>
Total reserves	<u>40,963</u>	<u>61,700</u>

29. Parent charity

The parent charity's gross income and the results for the year are:

	2022 £	2021 £
Gross income	1,887,254	1,982,093
Surplus/ (deficit) for the year (excluding gains / losses)	<u>(239,887)</u>	<u>180,382</u>

THE REME CHARITY

England & Wales - Charity number 1165868

Accounts

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2021



The REME Charity

Reference and administrative details

For the year ended 31 December 2021

Company number 10036700

Charity number 1165868

Registered office and operational address
The REME Charity
RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Maj Gen S M Andrews CBE Chairman
Col M J A Bullard MBE
Col (Retd) R Fram MC
Mr A P Graham
Maj PCD Hembury
Brig C P Phillips CBE
Ms C C Riley
Col A J Rogers
Col D G Scott
Col M A Simpson QVRM TD VR

Chief Executive Officer Lt Col (Retd) M J Tizard (resigned 2 July 2021)
Mrs Barbel Harris (appointed 10 August 2021)

Bankers Holt's Farnborough Branch
Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wilts
SP1 2SB

The REME Charity

Reference and administrative details

For the year ended 31 December 2021

Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU	BlackRock (for the AFCIF holding) 33 King William Street London EC4R 9AS
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Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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The REME Charity

Report of the trustees

For the year ended 31 December 2021

The Trustees present their report along with the financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the Articles of Association of The REME Charity dated 2 March 2016 and the current REME Charity Governance Manual.

The Corps of Royal Electrical and Mechanical Engineers (REME) has been supported by a charity since 1945. The REME inaugural charities were the REME Benevolent Fund and REME Scholarship funds but, over the years, these charities have been linked, closed and joined by others. Today, The REME Charity is the headline charity which has the REME Central Charitable Trust (296030-1), the REME Benevolent Fund (246967-1) and the REME Sports Association (246967-2) linked to it. The REME Museum (27240) is included in these group accounts as it governed by the same Board of Trustees and is administered by The REME Charity.

As a military charity, The REME Charity has to adapt its operations to the current requirements of the Corps it supports. The Board of Trustees regularly reviews its charitable activities to ensure it meets the needs of its beneficiaries. An annual Trustee workshop, usually held in March of each year, sets the themes for the year.

It is important to the charity to be clear about the impact and relevance it has for its beneficiaries and in its wider context. Much work was undertaken during 2020 and 2021 to explore the various facets of impact for our work.

A second workstream concentrated on extending the reach of the charity into our community and the wider charitable context. Further developmental work was undertaken to improve interconnectivity of beneficiaries – the REME family - via REME Connect, the one-stop-shop website at the heart of our digital communications.

Working with our veterans, we continued to improve our reach and translated the connectivity metaphor of the website into communities of support, particularly during the ongoing COVID-19 pandemic. Our cadre of over 150 volunteers sustained high response and support levels throughout the UK.

The REME Trading Company has been incorporated and is controlled by the charity.

Recruitment and appointment of Trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the Board of Trustees after recommendation. They are offered training and are supplied with pertinent information by the CEO to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the board remains current and effective. There were no changes to the Board of Trustees in 2021.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

Organisational structure and governance

The Board of Trustees is an independent decision-making governing body which meets at least twice a year. The board consists of 10 Trustees led by a Chairman. Trustees are given responsibility for different areas of the business and chair separate sub-committees to monitor performance and exercise governance. The Finance and Investment Committee meets twice yearly, while the Benevolence Committee meets on a monthly basis. The execution of the day to day running of the business is delegated to the Chief Executive Officer with delegated spending powers defined in the REME Governance Manual.

Risk management

The charity maintains a risk register which is reviewed annually. Risks are categorised in five main areas: Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. While the reduction in the size of the Corps and the subsequent reduction in income being received through the Day's Pay Giving Scheme will always be of concern, the highest risk currently identified is loss of key staff, but the new organisational structure introduced in 2021 significantly mitigates this risk.

OBJECTS AND ACTIVITIES

Public benefit

We provide public benefit by assisting REME regular and reserve personnel to more effectively perform their roles and duties within the British Army. We support their families and the retired veteran community and their families by enhancing esprit de corps through promoting the concept of support to the REME family for life. We do this by providing funding for benevolence, welfare, communications, activities, social gatherings and events. This assistance enables Service personnel to face the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, mental health and morale.

We promote the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it, including the defence of the United Kingdom and its interests. By supporting the wider REME family we assist the Government in fulfilling its promise in the Armed Forces Covenant to treat serving personnel, veterans and their families fairly.

Through our support to the REME Museum we preserve the heritage of the Corps of REME through collecting and conserving appropriate artefacts, memorabilia and memories for future generations and communicate the story of REME and the people who served in the Corps to the visiting public and to the wider audience online.

Objectives

The REME Charity is independent of military authorities, a status we further enhanced through the appointment of a civilian Chief Executive Officer in 2021. It undertakes a crucial function as the needs and ambitions of the REME family go beyond the bounds of the resources and policies of the Army and MoD. The three pillars of our support to the REME family are:

- 1) To promote the efficiency of REME and foster esprit de corps;
- 2) To relieve either generally or individually necessitous persons being members or former members of REME or their dependants (beneficiaries); and
- 3) To support charitable purposes for the benefit of beneficiaries.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

These objectives allow the charity to provide support to REME regular, reserve and retired personnel and their families. This is done through the provision of grants to groups or individuals and through fostering connections which promote REME efficiency, ethos and comradeship, giving members a sense of belonging to the REME family.

Themes and activities in 2021

COVID-19 continued to disrupt the charity's 'business as usual'. Staff worked from their own homes with weekly virtual meetings to calibrate workstreams and ensure wellbeing. The work practices established during initial lockdowns in 2020 continued to serve the team well.

The charity purposely carried high cash levels in its accounts accrued from underspent funds of 2020 in order to meet potential high pay-outs in 2021. Expected increased demand on welfare funding did not materialise and support levels remained constant. In 2021 we supported 305 individual cases with financial support amounting to £194,537, with average grants of £638. Furthermore, against expectations, the charity's investment portfolio performed well and further boosted the deposits. To meet its charitable objectives, the Board of Trustees agreed to donate £85,000 to the ABF in support of their charitable purposes.

Ongoing restrictions frustrated many esprit de corps activities such as team sports, reunions, mess events and other gatherings, tours abroad and most disappointingly, the annual grassroots skiing event EXERCISE SUPREME GLACIER as well as the competitive EXERCISE SNOW SPANNER, with the latter cancelled due to prevailing restrictions abroad.

The REME family, in particular serving soldiers, were highly affected by the pandemic. Isolation and loss of sustaining connections and activities meant that we observed an increase in poor mental health. The REME Charity is proud to partner the Corps' own mental health project 'Lifting the Decks'. This initiative, created by CASM WO1 Daniel McNeill, strives to remove the stigma still attached to mental health conditions, affords timely access to specialist help and respite breaks. Not only has the project supported many cases since its inception in the spring of 2021, but it also galvanised the Corps in fundraising activities such as the 'Virtual 10k' in May and the 'Lifting the Decks' challenge in late summer. The first REME Mental Health Conference is planned for 2022.

The REME Association was subject to review in 2020/21. The review findings called for a focussed effort on improving access and connectivity between veterans hitherto not attached to specific branches. Unfortunately, no concrete plans were implemented as most veterans' events were cancelled due to restrictions in 2021, bar the annual Memorial event at the National Memorial Arboretum, which saw a reduced turnout. However, with restrictions lifting, we have high hopes for 2022, starting in April with the Reunion event in Nottingham. The creation of supporting communities amongst the REME family and the connections between those in active service and those retired from the Corps is a strategic priority for 2022, with particular emphasis on more recent veterans of the Afghanistan and Iraq conflicts. Over 150 volunteers recruited in 2020 to deal with COVID-19 related issues demonstrated the spirit and resilience amongst our veterans.

Strategies to achieve objects

The Trustees' strategy is, in general terms, to meet the reasonable need of all applicants and thus ensuring enough income is received by the charity is vital. The income stream is varied but comes mainly from the Day's Pay Giving Scheme, from investment returns, donations, fundraising and some sponsorship. Careful budgeting is required to ensure spending is aligned with charitable objectives. As such, the charity's approach is reactive to the needs of its beneficiaries but plans for 2022 are more proactive and will identify clear strategic priorities on which efforts will be focussed.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

Charitable activities in 2021

The charity's objectives are primarily met through grant making. However, 2021 saw a continuation of restrictions due to COVID-19 and many of the usually supported activities throughout the year were cancelled.

Benevolence supported 305 cases (2020: 424) with a total spend of £194,537. Support ranged from financial assistance for homebound travel in cases of emergency (particularly with extra costs for COVID-19 measures), the supply of material assistance in cases of marital breakdown to respite breaks for veterans, serving personnel and families due to poor mental health.

Esprit de Corps events were much diminished throughout the year due to continuing lockdowns. The 34 sports teams (2020: 37) only used £258,371 of their allocated spending of £357,175. In 2021 the REME E-Sports team 'The Mustangs' received financial support for the first time. £21k was match funded by a sponsor to allow the team to purchase competition computer suite hardware for installation at Prince Philip Barracks in Lyneham.

The REME Association, the REME Institution, the REME Messes as well as the REME Museum receive annual grants from the charity. Any unused funds return to the charity. Only the REME Museum was able to utilise their allocation in 2021 due to ongoing staff costs and partial re-opening in the latter part of the year.

'The Craftsman' magazine continued to be distributed to a 4,500 strong readership. A survey took place to investigate how the magazine contributes to the cohesion of the Corps and the REME family.

ACHIEVEMENTS AND PERFORMANCE

Income generation

The majority of The REME Charity's funding is derived via the Day's Pay Giving Scheme. Serving personnel surrender a portion of their pay to the charity.

The charity received 5 legacies amounting to £123,241, a substantial amount which demonstrates the esteem in which The REME Charity is held by retired Corps members.

The Virtual 10k Challenge in May 2021 was a most successful fundraising campaign, collecting IRO £12k for the charity in aid of the 'Lifting the Decks' project. WO2 Gary Hooson, who initiated the campaign, was awarded the Wally Harris Award for the biggest fundraising campaign of the year.

Investments performed much better in 2021 than in the previous year with the stock market much recovered after the initial setbacks caused by the pandemic. The portfolio continued to follow the agreed strategy of:

- Grow the main long-term portfolio above the rate of inflation (RPI+4%);
- Set aside some monies in a more bond-oriented 'resilience' portfolio;
- Maintain a minimum 3% yield; and
- Reinvest income in excess of £100k per annum in order to develop a degree of strategic resilience.

The charity holds accounts portfolios with Sarasin & Partners and Blackrock Armed Forces Income and Growth Fund.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

At 31 December 2021 they reported:

- Sarasin main portfolio: £13,195,370 (2020: £11,938,497);
- Sarasin resilience portfolio: £1,011,624 (2020: £952,170);
- Blackrock: £304,973 (2020: £278,210); and
- The overall capital invested was £14,511,967 (2020: 13,168,877), an increase of £1,405,003.

FINANCIAL REVIEW

Income

The total income of The REME Charity as of 31 December 2021 was £2,511,910 which, in addition to income generation channels and activities mentioned above, includes £207,342 of services facilities donated by the MoD for the Charity and £47,926 of services facilities donated by the MoD for the Museum.

Income for the Charity included £1,012,723 from donations from regular and reserve officers' and soldiers' through the Day's Pay Giving Scheme. Income donated from retired officers' who are members of the REME Institution was £33,950. Gift aid of £1,865 was recovered and investments and interest income was £394,231.

The REME Trading Company exists to trade for charitable purposes on behalf of The REME Charity. Primarily, its main objective is to facilitate a secure, safe and reasonably priced shop so members of The REME Family, serving, retired and their families can procure good quality, reasonably priced uniform and REME memorabilia.

The REME Trading Company aims to cover all operating costs, introduce new stock, provide a service for the REME Family and generate an operating profit which they can donate to The REME Charity.

2021 remained a difficult trading year with the COVID pandemic forcing the physical shop in the museum to remain closed for 50% of the year, however, due to the introduction of new products and social media advertising the company was delighted to make an operating profit of £74,045 which will be donated to The REME Charity.

Expenditure

Expenditure for the year was £2,276,018 and comprised £730,979 in esprit de corps activity, £357,547 in grants, £414,352 on the museum, £418,194 on support costs and £354,946 on income generation cost.

Factors outside of the charity's control

COVID-19 lockdowns and other restrictions continued to impact the charity's operations. Most affected in terms of income generation was sports sponsorship with many companies withholding funding until activities resumed. Sponsorship amounts were furthermore reduced due to economic downturns for a number of businesses.

Ordinarily, there are many factors that impact our performance, with the main areas being the reliance on the MoD for their donated services, the performance of the stock market, and the changes to the structure and size of the REME imposed under government defence reviews.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

Reserves policy

The Trustees review the reserves policy annually and aim to match the amount held in reserves to mitigate against potential financial threats and needs over the long term. The charity relies upon the MoD for administration of the Day's Pay Giving Scheme, provision of infrastructure, utilities, IT systems, office supplies and a proportion of staff costs. If these MoD donated services were to be withdrawn, the Charity would suffer a strategic shock. The Charity's reserves must be able to meet such a strategic shock if it were to occur and accordingly part of our investments are held in a more conservatively managed Resilience Portfolio. In 2022 it has been decided that the Resilience Portfolio should be merged with the Main Portfolio. Furthermore, military operations overseas are expected to have an impact on the benevolent grants which are expected to increase in the coming year. Taken overall, the Trustees have assessed the level of reserves held in the charity's investment portfolio, and which may be required to meet these contingencies, should be in the region of £15M.

Funds in deficit

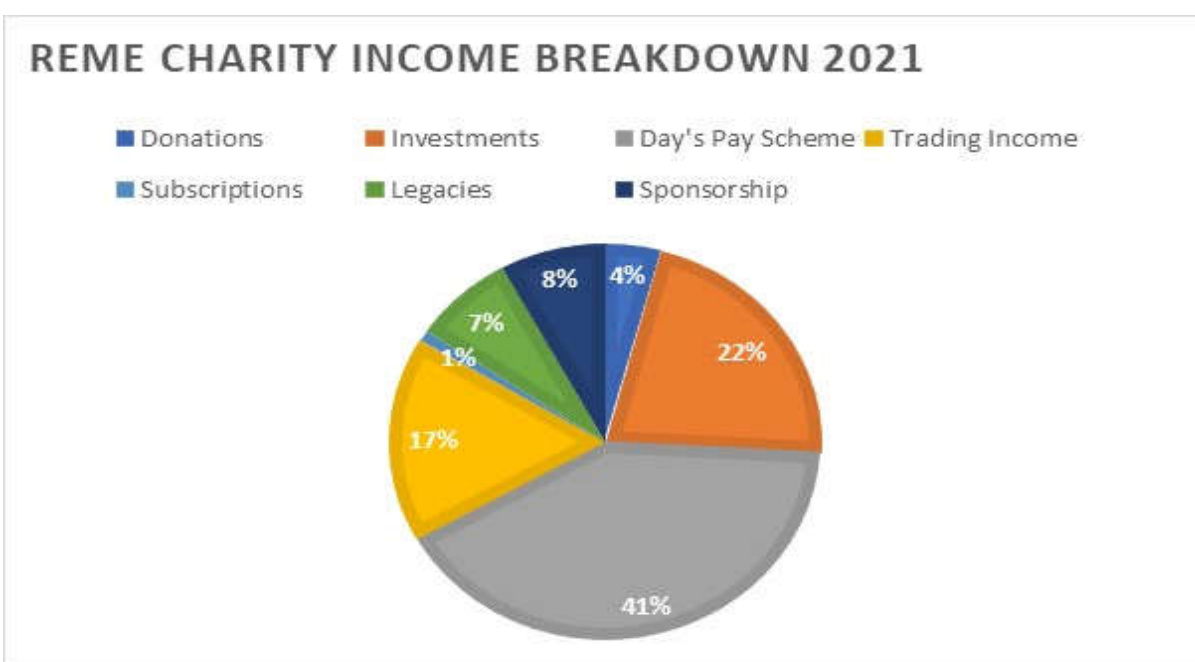
The charity has no deficits. The charity's loan to The REME Trading Company was written off in 2021 to reflect the amount of slow moving stock transferred and start up funding provided when the Trading Company was first established.

Financial position

The Trustees consider that the assets held by the charity enable the fund to meet its foreseen future obligations. Given the charity's current level of reserves, including investment assets of over £14M and £850k of cash, the Trustees consider that the charity will continue as a going concern at current spending levels for a period of at least 8 years from the date on which these financial statements are approved. The Trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(d) to the financial statements.

Dependency on donors

The viability of the charity is highly dependent on the goodwill and donations of REME serving soldiers and veterans, with their contribution making up 41% of the charity's income.



The REME Charity

Report of the trustees

For the year ended 31 December 2021

Strategic plans for 2022 include the diversification of income streams through increased fundraising activity.

Fundraising practices

The REME Charity is registered with the Fundraising Regulator and we take care to ensure we comply with the Code of Fundraising practice. The majority of our fundraising is in the form of events and challenges. All are subject to relevant risk assessments and in FY2021 and to date, there have been no instances of non-compliance with the requirements. The REME Charity does not contract other companies to undertake fundraising on our behalf, nor do we use telephone direct marketing. The charity has received no complaints during the year.

Funds held as custodian Trustee

No funds are held as custodian Trustee.

PLANS FOR FUTURE PERIODS

The charity strives to become more independent from the Corps in order to supplement MoD directed activity with sufficient freedom and autonomy. To achieve this, the Trustees appointed Mrs Babs Harris to the position of Chief Executive Officer in August 2021. Mrs Harris is a civilian charity professional with many years of experience in senior positions in the sector. Together with the Board of Trustees, she will lead the strategic planning cycle in early 2022 and articulate future priorities for the charity.

The plans will be based on The REME Charity Impact Survey, conducted online and anonymously, administered to all beneficiary groups in November/December 2021 and contextualised through wider research conducted by national umbrella organisations such as TRBL, SSAFA and Forces in Mind. Strategic objectives will be captured in a 3-year plan with milestones and targets derived for all aspects of the charity's work.

To ensure that beneficiary's voices are continually represented in the decision-making processes at strategic levels, in 2021, the Board of Trustees investigated ways to diversify board level representation. The formation of an 'advisory group' was agreed upon. The Group will act as a critical friend to the Board of Trustees and review and advise on strategic decisions from a beneficiary point of view. The CEO was tasked with the formation of the group by end of February 2022.

The charity will continue to improve the connectivity of the widespread REME family, particularly via digital platforms, including REME CONNECT and social media. There will also be a drive to re-connect regional sub-groups post-Covid to reinvigorate support networks and comradeship.

To better support the charity's activities, we will introduce new accounting software (XERO) in early 2022. This user-friendly package will give more immediate access to information, greater transparency and better management accounts to budget holders. Key staff will undergo relevant training.

The charity has to increase its fundraising activity. In the absence of dedicated fundraising staff, we have to invest in a fundraising platform that affords the opportunity to communicate and administrate not only charity-originating events and activities but also a platform for our support community to set up their own events and challenges. Options evaluation is underway with purchase planned for early 2022.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with 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 trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The REME Charity

Report of the trustees

For the year ended 31 December 2021

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 21 April 2022 and signed on their behalf by



Maj Gen S M Andrews CBE - Chairman

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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 statements 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of 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.

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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 ISAs (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 the 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

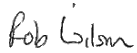
To the members of

The REME Charity

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 21 April 2022

Rob Wilson FCA

(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The REME Charity

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 December 2021

		Restricted £	Unrestricted £	2021 Total £	Restated 2020 Total £
	Note				
Income from:					
Donations and legacies	3	418,453	1,469,962	1,888,415	1,592,457
Charitable activities	5	-	34,327	34,327	24,261
Other trading activities	6	421	194,516	194,937	264,260
Investments	7	32,624	361,607	394,231	423,946
Total income		<u>451,498</u>	<u>2,060,412</u>	<u>2,511,910</u>	<u>2,304,924</u>
Expenditure on:					
Raising funds		12,307	422,537	434,844	343,626
Charitable activities:					
Benevolence grants		135,391	302,639	438,030	545,837
Esprit de corps		210,335	685,187	895,522	698,731
Museum		10,882	496,740	507,622	407,086
Total expenditure	8	<u>368,915</u>	<u>1,907,103</u>	<u>2,276,018</u>	<u>1,995,280</u>
Net income before investment gains		82,583	153,309	235,892	309,644
Net gains on investments		<u>45,481</u>	<u>833,100</u>	<u>878,581</u>	<u>797,390</u>
Net income		128,064	986,409	1,114,473	1,107,034
Transfers between funds		17,190	(17,190)	-	-
Other recognised gains / (losses):					
Gains/ (losses) on revaluation of heritage assets	14	<u>-</u>	<u>68,145</u>	<u>68,145</u>	<u>(9,539)</u>
Net movement in funds	9	145,254	1,037,364	1,182,618	1,097,495
Reconciliation of funds:					
Total funds brought forward		<u>3,727,146</u>	<u>15,691,143</u>	<u>19,418,289</u>	<u>18,320,794</u>
Total funds carried forward		<u><u>3,872,400</u></u>	<u><u>16,728,507</u></u>	<u><u>20,600,907</u></u>	<u><u>19,418,289</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 23 to the accounts.

The prior period comparatives have been restated as described in note 1 (b) to the accounts.

The REME Charity

Consolidated balance sheets

As at 31 December 2021

	Note	The group 2021 £	The group 2020 £	The charity 2021 £	The charity 2020 £
Fixed assets					
Tangible assets	13	1,398,947	463,025	1,156,602	269,971
Heritage assets	14	3,098,635	4,105,773	386,151	1,353,060
Mixed motive investments	15	43,224	-	43,224	-
Fixed asset investments	16	14,511,967	13,168,877	14,511,967	13,168,877
Investment property	17	460,000	500,000	460,000	500,000
		19,512,773	18,237,675	16,557,944	15,291,908
Current assets					
Stocks	18	191,738	250,379	145,042	133,747
Debtors	19	148,631	158,195	94,675	235,999
Cash at bank and in hand		859,688	861,670	712,571	691,449
		1,200,057	1,270,244	952,288	1,061,195
Liabilities					
Creditors due within 1 year	20	(108,899)	(79,862)	(281,088)	(244,413)
		1,091,158	1,190,382	671,200	816,782
Net current assets					
		20,603,931	19,428,057	17,229,144	16,108,690
Total assets less current liabilities					
Creditors due after more than 1 year		(3,024)	(9,768)	(3,024)	(9,768)
		20,600,907	19,418,289	17,226,120	16,098,922
Funds					
Restricted funds	23	3,872,400	3,727,146	3,869,830	3,704,865
Unrestricted funds					
Designated funds		3,462,125	3,357,086	90,000	60,000
General funds		13,266,382	12,334,057	13,266,290	12,334,057
		20,600,907	19,418,289	17,226,120	16,098,922
Total charity funds					

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 21 April 2022 and signed on their behalf by



Maj Gen S M Andrews CBE - Chairman

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2021

	2021 £	Restated 2020 £
Cash used in operating activities:		
Net movement in funds	1,182,618	1,097,495
Adjustments for:		
Depreciation charges	95,102	143,808
Revaluation (gains) / losses on heritage assets	(68,145)	9,539
Donation of heritage assets	(59,900)	(2,286)
(Gains) / losses on investments	(878,581)	(797,390)
Dividends, interest and rents from investments	(394,231)	(423,946)
Loss / (profit) on the disposal of heritage assets	184,180	1,663
Decrease / (increase) in stock	58,641	(2,033)
Decrease / (increase) in debtors	9,564	(10,637)
Increase / (decrease) in creditors	22,293	(6,523)
Net cash provided by / (used in) operating activities	151,541	9,690
Cash flows from investing activities:		
Dividends, interest and rents from investments	394,231	423,946
Purchase of tangible fixed assets	(101,785)	(86,328)
Purchase of heritage assets	(21,460)	(340)
Purchase of investments	(424,509)	(325,000)
Transfer between investment cash accounts	-	156,828
Net cash provided by / (used in) investing activities	(153,523)	169,106
Increase / (decrease) in cash and cash equivalents in the year	(1,982)	178,796
Cash and cash equivalents at the beginning of the year	861,670	682,874
Cash and cash equivalents at the end of the year	859,688	861,670

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The REME Charity 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 notes for investments (notes 1n, 1o, 1p) and heritage assets (note 1m).

b) Restatement of prior period

The REME Trading Company Limited (REME Trading), company number 10258502, is wholly controlled by the Charity and should therefore be consolidated as a trading subsidiary. The results for the year ended 31 December 2020 have been restated to correct for this.

The impact of the restatement on group funds is as follows:

	At 1 January 2020	At 31 December 2020
Group funds per 2020 signed accounts	18,325,403	19,430,634
REME Trading reserves	<u>(4,609)</u>	<u>(12,345)</u>
Restated group funds	<u>18,320,794</u>	<u>19,418,289</u>

The restatement relates to unrestricted designated and general funds only and does not impact restricted funds.

c) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiaries, The Corps of Royal Electrical and Mechanical Engineers Museum (charity registration number 272740) and The REME Trading Company Limited (company number 10258502) on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent and its subsidiaries are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

c) Group accounts (continued)

In accordance with Charity Commission guidance, all linked charities per a Scheme dated 28 October 2016 are required to be reported as restricted funds. The linked charities comprise:

- Royal Electrical and Mechanical Engineers Central Charitable Trust (charity no. 1165868-1);
- The Royal Electrical and Mechanical Engineers' Benevolent Fund (charity no. 1165868-2);
- Royal Electrical and Mechanical Engineers' Hotel Fund (charity no. 1165868-3 - now closed and removed from the register); and
- The General Fund of the Royal Electrical and Mechanical Engineers Sports Association (charity no. 1165868-4).

d) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received for advertising in advance of publication is deferred until criteria for income recognition are met.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

f) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

h) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on the proportion of direct costs, as follows:

	2021	Restated 2020
Raising funds	19.1%	17.2%
Charitable activities:		
Benevolence grants	19.2%	27.4%
Esprit de corps	39.4%	35.0%
Museum	22.3%	20.4%

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

k) Grants payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

l) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Yachts	10 years straight line to residual value of £70,000
Furniture and equipment	3 - 10 years straight line basis
Corps items	Not depreciated

Items of equipment are capitalised where the purchase price exceeds £2,000.

The REME Collection ("Corps items"), which has been built up over many years, reflects the wide range of artefacts ranging from wooden carvings, paintings, silver pieces, furniture and many trinkets and items of an ornamental nature. Corps items are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. Items are initially recorded at cost when an acquisition has been made by purchase. The items are periodically revalued and any gain or loss arising on revaluation will be posted to the statement of financial activities. Methods of valuation are given in note 1 (m) below.

m) Heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the silver and artwork and recourse to the many websites, trade magazines, auction houses and professional catalogues. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and occasionally written valuations are unavailable.

The assets are generally valued at 50% of insurance value. During the year ended 31 December 2021 all artworks and silverware were revalued by Madley Associates, fellows of the National Association of Valuers and Auctioneers.

The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. All heritage assets are reviewed for impairment annually and any charge taken to the SoFA.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

n) Mixed motive investments

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Fine art is held at fair value.

o) Investment property

Investment properties are included in the balance sheet at fair value and are not depreciated. Changes in fair value are recognised in the statement of financial activities. Investment property is professionally revalued every two years, and informally reviewed for impairment annually.

p) Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

q) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

r) Debtors

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

s) Cash at bank and in hand

Cash at bank and cash 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.

t) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

u) Financial instruments

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

v) Pension costs

The charitable company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

w) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

x) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1l to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Revaluations

Heritage assets, mixed motive investments and investment property are stated at estimated fair value based on periodic valuations, as disclosed in notes 1m, 1n and 1o.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	Restated 2020 Total £
Income from:			
Donations and legacies	247,434	1,345,023	1,592,457
Charitable activities	-	24,261	24,261
Other trading activities	105,442	158,818	264,260
Investments	42,308	381,638	423,946
Total income	395,184	1,909,740	2,304,924
Expenditure on:			
Raising funds	-	343,626	343,626
Charitable activities:			
Benevolence grants	21,228	524,609	545,837
Esprit de corps	249,806	448,925	698,731
Museum	1,500	405,586	407,086
Total expenditure	272,534	1,722,746	1,995,280
Net income before investment gains	122,650	186,994	309,644
Net gains on investments	123,240	674,150	797,390
Net income	245,890	861,144	1,107,034
Transfers between funds	150,000	(150,000)	-
Other recognised gains / (losses):			
Gains on revaluation of heritage assets	-	(9,539)	(9,539)
Net movement in funds	395,890	701,605	1,097,495

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

3. Income from donations and legacies

	Restricted £	Unrestricted £	2021 Total £
Subscriptions - retired officers	13,580	20,370	33,950
Subscriptions - serving officers	185,695	125,947	311,642
Subscriptions - museum (gold card)	-	97,487	97,487
Subscriptions - other ranks	-	569,644	569,644
Sports association grants	50,000	-	50,000
MOD grant in aid	-	178,374	178,374
Other donations	45,937	63,617	109,554
Donated heritage assets	-	60,050	60,050
Legacies	123,241	-	123,241
Donated investment management services	-	99,206	99,206
Donated services and facilities *	-	255,267	255,267
Total income from donations and legacies	418,453	1,469,962	1,888,415

Prior period comparative

	Restricted £	Unrestricted £	Restated 2020 Total £
Subscriptions - retired officers	13,480	20,220	33,700
Subscriptions - serving officers	177,861	120,379	298,240
Subscriptions - museum (gold card)	-	95,905	95,905
Subscriptions - other ranks	11,807	533,131	544,938
Sports association grants	15,274	-	15,274
MOD grant in aid	-	179,511	179,511
Armed Forces Covenant Trust grant	20,000	-	20,000
ABF donation	251	-	251
Other donations	3,761	43,637	47,398
Donated heritage assets	-	2,286	2,286
Legacies	5,000	-	5,000
Donated investment management services	-	88,489	88,489
Donated services and facilities *	-	261,465	261,465
Total income from donations and legacies	247,434	1,345,023	1,592,457

* Donated services and facilities consists of:

	2021 £	2020 £
Donated staff time	202,458	211,362
Donated facilities - office premises, equipment and utilities	52,809	50,103
	255,267	261,465

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities, and from HMRC under the Coronavirus Job Retention Scheme. The total value of such grants in the period ending 31 December 2021 was £185,668 (2020: £186,668) of which £7,294 related to the Coronavirus Job Retention Scheme (the Furlough Scheme). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £
Museum admission	-	31,375	31,375
Children's activities	-	1,895	1,895
Museum research	-	664	664
Development fund grant income	-	393	393
Total income from charitable activities	-	34,327	34,327

Prior period comparative

	Restricted £	Unrestricted £	2020 Total £
Museum admission	-	20,917	20,917
Children's activities	-	1,889	1,889
Museum research	-	1,455	1,455
Total income from charitable activities	-	24,261	24,261

6. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £
REME trading income	-	142,761	142,761
Sponsorship	-	33,520	33,520
Other fundraising	421	18,235	18,656
Total income from other trading activities	421	194,516	194,937

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

6. Income from other trading activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	Restated 2020 Total £
REME trading income	-	142,046	142,046
Sponsorship	96,428	-	96,428
Other fundraising	9,014	16,772	25,786
Total income from other trading activities	105,442	158,818	264,260

7. Income from investments

	Restricted £	Unrestricted £	2021 Total £
Income from listed investments	15,396	361,472	376,868
Property income	17,228	-	17,228
Bank interest	-	135	135
Total income from investments	32,624	361,607	394,231

Prior period comparative:

	Restricted £	Unrestricted £	2020 Total £
Income from listed investments	27,867	380,617	408,484
Property income	14,441	-	14,441
Bank interest	-	1,021	1,021
Total income from investments	42,308	381,638	423,946

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

8. Total expenditure

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2021 Total £
REME Museum	-	-	-	27,669	748	28,417
REME Institution (Officers' club)	-	-	7,909	-	3,618	11,527
REME Trading	140,985	-	-	-	-	140,985
Officers Mess functions and costs	-	-	60,386	-	-	60,386
Grants payable (note 12)	-	267,036	102,214	-	-	369,250
REME Sports	-	-	258,371	-	-	258,371
Association events and costs	-	-	18,184	-	-	18,184
REME Corps Sergeants' Mess	-	-	21,658	-	-	21,658
Office expenses	-	-	135	-	78,672	78,807
Repairs and maintenance	-	-	-	-	3,960	3,960
Depreciation and scrapped assets	-	-	-	94,569	184,713	279,282
Corps recruiting	-	-	37,547	-	-	37,547
Fundraising and investment property costs	40,830	-	-	-	-	40,830
Publication costs	-	-	106,568	-	-	106,568
Staff costs (note 10)	104,926	90,511	118,007	292,114	27,247	632,805
Insurance	-	-	-	-	6,428	6,428
Trustee expenses	-	-	-	-	772	772
Donated facilities	-	-	-	-	52,809	52,809
Investment manager fees	68,205	-	-	-	-	68,205
Legal and professional	-	-	-	-	59,227	59,227
Sub-total	354,946	357,547	730,979	414,352	418,194	2,276,018
Allocation of support and governance costs	79,898	80,483	164,543	93,270	(418,194)	-
Total expenditure	434,844	438,030	895,522	507,622	-	2,276,018

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

8. Total expenditure - prior period comparative

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	Restated 2020 total £
REME Museum	-	-	-	19,477	351	19,828
REME Institution (Officers' club)	-	-	9,003	-	2,318	11,321
REME trading	105,310	-	-	-	-	105,310
Officers Mess functions and costs	-	-	9,570	-	-	9,570
Grants payable (note 12)	-	378,230	117,009	-	-	495,239
REME Sports	-	-	203,909	-	-	203,909
Association events and costs	-	-	9,779	-	-	9,779
REME Corps Sergeants' Mess	-	-	6,391	-	-	6,391
Office expenses and shop overheads	18,466	-	3	-	79,886	98,355
Depreciation and scrapped assets	319	-	-	58,451	85,038	143,808
Corps recruiting	-	-	47,948	-	-	47,948
Fundraising and investment property costs	7,062	-	-	-	-	7,062
Publication costs	-	-	100,728	-	-	100,728
Staff costs (note 10)	68,605	62,760	60,176	250,962	142,829	585,332
Insurance	-	-	-	-	7,281	7,281
Trustee expenses	-	-	-	-	2,442	2,442
Donated facilities	-	-	-	-	50,103	50,103
Investment manager fees	77,859	-	-	-	-	77,859
Legal and professional	-	-	-	-	13,015	13,015
Sub-total	277,621	440,990	564,516	328,890	383,263	1,995,280
Allocation of support and governance costs	66,005	104,847	134,215	78,196	(383,263)	-
Total expenditure	343,626	545,837	698,731	407,086	-	1,995,280

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

9. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation and loss on disposal of assets	279,282	143,808
Operating lease payments	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	772	2,442
Auditors' remuneration:		
▪ Statutory audit (including VAT)	18,060	16,758
▪ Consultancy (including VAT)	1,920	3,240

Trustees' reimbursed expenses comprise travel and accommodation costs relating to 4 trustees (2020: 4 trustees).

Total governance costs were £18,831 (2020: £19,200).

10. Staff costs and numbers

Staff costs were as follows:

	2021 £	Restated 2020 £
Salaries and wages	372,901	341,667
Social security costs	23,077	16,977
Pension costs	8,761	7,608
Donated salaries	202,459	211,362
Freelance staff	25,607	7,718
	632,805	585,332

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the CEO, Operations Manager, Museum Director and Corps Secretary. The total employee benefits of the key management personnel paid by the charity and recognised as a gift in kind were £49,905 and £70,493 respectively (2020: £30,320 and £43,706).

	2021 No.	Restated 2020 No.
Average number of employees (head count):	20	26

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

12. Grants payable

	Individuals £	Institutions £	Total 2021 £
Benevolence	164,854	95,000	259,854
Discretionary grants	-	77,498	77,498
Adventurous and enterprising activities	-	16,645	16,645
REME Corps Sergeants' Mess	-	14,903	14,903
Officers Mess	-	350	350
	164,854	204,396	369,250
Prior period comparative			
	Individuals £	Institutions £	Restated Total 2020 £
Benevolence	163,689	195,000	358,689
Discretionary grants	13,509	81,435	94,944
Lyneham funding (D12)	-	18,234	18,234
Adventurous and enterprising activities	-	11,843	11,843
REME Corps Sergeants' Mess	-	11,529	11,529
	177,198	318,041	495,239

The charity's grant making activities are characterised by large numbers of small grants, paid to support serving and retired soldiers and officers of the REME Corps. Individual grants are rarely made direct to the individual beneficiary. Grants are usually processed via a third party organisation such as the Army Benevolent Fund; the Soldiers' Charity (ABF), The Sailors, Soldiers and Air Force Institution (SSAFA), or the Royal British Legion (RBL). If the beneficiary is a serving soldier, a grant is processed through the unit welfare organisation.

The trustees consider all grants paid to institutions over £25,000, which require trustee board approval, to be material in the context of the accounts. The total amount of grants paid over this amount in 2021 was 1, to the Army Benevolent Fund for £85,000 (2020: 1, for £185,000, to the Army Benevolent Fund). There were no other committed grants at 31 December 2021. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

13. Tangible fixed assets

Group	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2021 (restated)	280,000	940,064	-	1,220,064
Additions in year	-	101,785	-	101,785
Reclassification from heritage assets	-	95,515	833,724	929,239
Disposals	-	(4,105)	-	(4,105)
At 31 December 2021	280,000	1,133,259	833,724	2,246,983
Depreciation				
At 1 January 2021 (restated)	71,000	686,039	-	757,039
Charge for the year	11,500	83,602	-	95,102
Disposals	-	(4,105)	-	(4,105)
At 31 December 2021	82,500	765,536	-	848,036
Net book value				
At 31 December 2021	197,500	367,723	833,724	1,398,947
At 31 December 2020 (restated)	209,000	254,025	-	463,025

Charity	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2021	280,000	101,088	-	381,088
Additions in year	-	-	-	-
Reclassification from heritage assets	-	95,515	833,724	929,239
Disposals	-	(4,105)	-	(4,105)
At 31 December 2021	280,000	192,498	833,724	1,306,222
Depreciation				
At 1 January 2021	71,000	40,117	-	111,117
Charge for the year	11,500	31,108	-	42,608
Disposals	-	(4,105)	-	(4,105)
At 31 December 2021	82,500	67,120	-	149,620
Net book value				
At 31 December 2021	197,500	125,378	833,724	1,156,602
At 31 December 2020	209,000	60,971	-	269,971

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

14. Heritage assets

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 January 2021	4,105,773	4,114,349	1,353,060	1,364,096
Additions	81,360	2,626	78,990	-
Disposals	(184,180)	(1,663)	(141,670)	(1,663)
Revaluations	68,145	(9,539)	68,234	(9,373)
Reclassification to tangible fixed assets	(929,239)	-	(929,239)	-
Reclassification to mixed motive investment	(43,224)	-	(43,224)	-
At 31 December 2021	3,098,635	4,105,773	386,151	1,353,060

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year summary of heritage asset transactions:

	2021	2020	2019	2018	2017
	£	£	£	£	£
Additions:					
Purchases	21,460	340	-	23,698	33,087
Donations	59,900	2,286	5,981	6,130	1,813
Total additions	81,360	2,626	5,981	29,828	34,900
Disposals:					
Carrying value	(184,180)	1,663	580	30	58,795
Proceeds	-	-	-	-	-
Revaluations	68,145	(9,539)	609,667	-	19,525

The REME Charity heritage assets

The REME Charity has gained a wide and varied collection of assets since its formation in 1942. These are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD.

Where these assets are held primarily for their contribution to our nation's culture and knowledge, they are classified as 'heritage assets'. Other assets are of significance to the Corps but are not held as heritage assets. These items have been reclassified as non-depreciable tangible fixed assets during 2021.

Further detail on the recognition and valuation of these assets is given in notes 1 (l) and (m).

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

14. Heritage assets (continued)

The REME Museum heritage assets

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

15. Mixed motive investments

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 January 2021	-	-	-	-
Reclassification from heritage assets	<u>43,224</u>	<u>-</u>	<u>43,224</u>	<u>-</u>
At 31 December 2021	<u>43,224</u>	<u>-</u>	<u>43,224</u>	<u>-</u>

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. The paintings were previously included within heritage assets but have been reclassified in 2021 to better reflect the nature of the asset. The fine art collection is held at fair value and will be revalued every 5 years.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

16. Fixed asset investments

	2021 £	2020 £
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2021	278,210	265,437
Unrealised gains	26,763	12,773
As at 31 December 2021	<u>304,973</u>	<u>278,210</u>
Sarasin Funds - all listed		
Market value at 1 January 2021	12,890,667	11,987,878
Additions	424,509	325,000
Transfers between cash accounts	-	(156,828)
Unrealised gains	891,818	734,617
As at 31 December 2021	<u>14,206,994</u>	<u>12,890,667</u>
Total investments	<u>14,511,967</u>	<u>13,168,877</u>

Included within investments are amounts held on behalf of other REME organisations, as follows:

	2021 %	2020 %	Market value 2021 £	2020 £
REME Benevolent Fund	0.3553%	0.3606%	51,171	46,494
REME HQ Officers Mess	3.7680%	3.8247%	542,693	493,094
REME Association	3.0159%	3.0613%	434,368	394,669
REME Museum	2.4459%	2.4827%	350,602	318,406
			<u>1,378,834</u>	<u>1,252,663</u>

17. Investment property

The charity owns Judnick House, a residential investment property. The property is held at fair value based on a desktop market valuation obtained from an estate agent, Frank Schippers, dated 2 December 2021.

	2021 £	2020 £
Market value at 1 January 2021	500,000	450,000
Revaluation gains	(40,000)	50,000
Market value at 31 December 2021	<u>460,000</u>	<u>500,000</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

18. Stock

	The group		The charity	
	2021	Restated 2020	2021	2020
	£	£	£	£
REME Trading stock for resale	46,696	116,632	-	-
Finished goods including wine for resale	145,042	133,747	145,042	133,747
	<u>191,738</u>	<u>250,379</u>	<u>145,042</u>	<u>133,747</u>

19. Debtors

	The group		The charity	
	2021	Restated 2020	2021	2020
	£	£	£	£
Due within 1 year:				
Trade debtors	2,109	-	1,680	-
Prepayments and accrued income	143,170	153,550	89,643	101,037
Other debtors	3,352	4,645	3,352	3,185
	<u>148,631</u>	<u>158,195</u>	<u>94,675</u>	<u>104,222</u>
Due in more than 1 year:				
Intercompany due from REME Trading	-	-	-	131,777
Total debtors	<u>148,631</u>	<u>158,195</u>	<u>94,675</u>	<u>235,999</u>

20. Creditors : amounts due within 1 year

	The group		The charity	
	2021	Restated 2020	2021	2020
	£	£	£	£
Trade creditors	46,782	17,759	43,962	17,397
Social security and other taxes	13,782	8,643	10,138	6,263
Accruals	25,436	39,464	16,300	29,810
Other creditors	18,374	12,269	18,477	12,269
Deferred income	4,525	1,727	4,525	1,727
Intercompany due to REME Museum	-	-	187,686	176,947
	<u>108,899</u>	<u>79,862</u>	<u>281,088</u>	<u>244,413</u>
Due in more than 1 year:				
Other creditors	<u>3,024</u>	<u>9,768</u>	<u>3,024</u>	<u>9,768</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

21. Deferred income

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 January 2021	1,727	5,941	1,727	5,941
Deferred during the year	4,525	1,727	4,525	1,727
Released during the year	(1,727)	(5,941)	(1,727)	(5,941)
At 31 December 2021	<u>4,525</u>	<u>1,727</u>	<u>4,525</u>	<u>1,727</u>

Deferred income relates to prepaid advertising income for publications not yet published as at 31 December 2021.

22. Analysis of group net assets between funds

	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Tangible fixed assets	748,938	239,880	410,129	1,398,947
Heritage assets	386,151	2,712,484	-	3,098,635
Mixed motive investments	43,224	-	-	43,224
Fixed asset investments	1,378,834	-	13,133,133	14,511,967
Investment property	460,000	-	-	460,000
Current assets	855,253	509,761	(164,957)	1,200,057
Current liabilities	-	-	(108,899)	(108,899)
Creditors due after more than 1 year	-	-	(3,024)	(3,024)
Net assets at 31 December 2021	<u>3,872,400</u>	<u>3,462,125</u>	<u>13,266,382</u>	<u>20,600,907</u>

Prior year comparative

	Restricted funds	Designated funds	General funds	Restated total funds
	£	£	£	£
Tangible fixed assets	60,971	193,049	209,005	463,025
Heritage assets	1,353,060	2,752,713	-	4,105,773
Fixed asset investments	1,252,663	-	11,916,214	13,168,877
Investment property	500,000	-	-	500,000
Current assets	573,196	423,719	273,329	1,270,244
Current liabilities	(12,744)	(12,395)	(54,723)	(79,862)
Creditors due after more than 1 year	-	-	(9,768)	(9,768)
Net assets at 31 December 2020	<u>3,727,146</u>	<u>3,357,086</u>	<u>12,334,057</u>	<u>19,418,289</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

23. Movements in funds

	At 1 January 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2021 £
Restricted funds						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	(5,000)	-
Mrs E Brewin Bequest	671	-	(671)	-	-	-
Aliquot Shares	1,252,663	-	-	85,481	40,690	1,378,834
<i>Linked entities:</i>						
REME Benevolent Fund	-	127,045	(127,045)	-	-	-
HQ Officers Mess	1,672,103	89,795	(88,339)	-	-	1,673,559
REME Sports Association	-	90,000	(90,000)	-	-	-
REME Institution	708,657	84,235	(25,088)	(40,000)	-	727,804
REME Sergeants' Mess	65,771	60,423	(36,561)	-	-	89,633
<i>REME Museum:</i>						
British Museum Project	3,781	-	(1,211)	-	-	2,570
Museum Play Park Fund	18,500	-	-	-	(18,500)	-
Total restricted funds	3,727,146	451,498	(368,915)	45,481	17,190	3,872,400

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

23. Movements in funds (continued)

	At 1 January 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2021 £
Total restricted funds	3,727,146	451,498	(368,915)	45,481	17,190	3,872,400
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,824,469	333,063	(333,152)	(89)	18,500	2,842,791
Museum - development	484,962	109,467	(126,795)	-	-	467,634
REME Trading	(12,345)	274,216	(200,171)	-	-	61,700
REME Yacht Club Hulls	60,000	-	-	-	30,000	90,000
<i>Total designated funds</i>	<u>3,357,086</u>	<u>716,746</u>	<u>(660,118)</u>	<u>(89)</u>	<u>48,500</u>	<u>3,462,125</u>
General funds	<u>12,334,057</u>	<u>1,343,666</u>	<u>(1,246,985)</u>	<u>901,334</u>	<u>(65,690)</u>	<u>13,266,382</u>
Total unrestricted funds	<u>15,691,143</u>	<u>2,060,412</u>	<u>(1,907,103)</u>	<u>901,245</u>	<u>(17,190)</u>	<u>16,728,507</u>
Total funds	<u><u>19,418,289</u></u>	<u><u>2,511,910</u></u>	<u><u>(2,276,018)</u></u>	<u><u>946,726</u></u>	<u><u>-</u></u>	<u><u>20,600,907</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

23. Movements in funds (continued)

Purposes of restricted funds

Rory Cape Award Prize

In 2020, £5,000 was allocated to the Rory Cape Award after its funds were spend. On reflection it has been decided that this prize will continue but will be funded by the Adventurous Training grant and therefore this fund has been closed.

Mrs E Brewin Bequest

The final payment for this fund was made in January 2021 and the Brewin Fund has now been closed. REME widows will continue to be supported by the Benevolent Fund.

Aliquot Shares

The REME Charity's investment portfolio was first created in 1985 from donations from a number of entities. Each of the entities is now inside the REME Charity and their percentage holding in the investment portfolio is expressed as an aliquot share holding.

Linked entities

The REME Charity was formed from the REME Charities in 2016. The antecedent charities are linked via a Charity Commission Scheme and are; The REME Central Charitable Trust (296030) and the REME Benevolent Fund (246967). The REME Sports Association charity (246967/1) was linked to the REME Benevolent Fund, but it now linked to the REME Charity under the same scheme. Income in these funds represents donations specifically restricted to each area of the charity. Where total expenditure exceeds income available, expenditure is limited to the available restricted funds.

British Museum Project

This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Museum Play Park Fund

This relates to a grant from The Armed Forces Covenant Fund Trust that supports community projects. In the prior year the REME Museum was granted £20,000 for the installation of a children's play park in the grounds of the Museum to benefit the REME family and wider community. The work was completed in 2021.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

23. Movements in funds (continued)

Purpose of designated funds

Museum - general

The REME Museum is given an operating budget each year from the REME Charity.

Museum - development

The REME Development fund is to provide funding to develop the Museum. It is not to be spent on administration, but purely on developing exhibits, attracting visitors and generally improving the visitor experience.

REME Trading

The REME Trading Company operates the shop in the REME Museum and online.

REME Yacht Club Hulls

The REME Hulls fund was set up as a saving plan to purchase a new yacht every five years. £30k was deposited during the year.

Transfers between funds

The brought forward balance for the Rory Cape Award Prize was transferred to unrestricted reserves during the year as this is now funded by The REME Charity out of unrestricted funds. The transfer into the aliquot fund represents an increase in the Museum's investment contribution.

The transfer of funds from the Museum Play Park Fund represents capital expenditure for the children's play park that was incurred during the year.

The transfer to REME Yacht Club Hulls designated fund represent an increase to the yacht reserve.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

23. Movements in funds (continued)						
Prior period comparative (restated)	At 1 January 2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2020 £
Restricted funds						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	-	5,000
Mrs E Brewin Bequest	14,180	-	(13,509)	-	-	671
Aliquot Shares	1,029,423	-	-	73,240	150,000	1,252,663
<i>Linked entities:</i>						
REME Benevolent Fund	-	7,718	(7,718)	-	-	-
HQ Officers Mess	1,648,440	89,079	(65,416)	-	-	1,672,103
REME Sports Association	-	111,440	(111,440)	-	-	-
REME Institution	604,760	78,473	(24,576)	50,000	-	708,657
REME Sergeants' Mess	25,672	57,786	(17,687)	-	-	65,771
REME Publications	-	11,358	(11,358)	-	-	-
REME Association	-	19,330	(19,330)	-	-	-
<i>REME Museum:</i>						
British Museum Project	3,781	-	-	-	-	3,781
Other restricted funds	-	20,000	(1,500)	-	-	18,500
Total restricted funds	3,331,256	395,184	(272,534)	123,240	150,000	3,727,146

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

23. Movements in funds (continued) - prior year comparative (restated)

	At 1 January 2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2020 £
Total restricted funds	3,331,256	395,184	(272,534)	123,240	150,000	3,727,146
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,836,066	311,050	(322,481)	(166)	-	2,824,469
Museum - development	466,910	104,302	(86,250)	-	-	484,962
REME Trading	(4,609)	142,045	(161,241)	-	11,460	(12,345)
REME Yacht Club Hulls	40,000	-	-	-	20,000	60,000
<i>Total designated funds</i>	<u>3,338,367</u>	<u>557,397</u>	<u>(569,972)</u>	<u>(166)</u>	<u>31,460</u>	<u>3,357,086</u>
General funds	<u>11,651,171</u>	<u>1,352,343</u>	<u>(1,152,774)</u>	<u>664,777</u>	<u>(181,460)</u>	<u>12,334,057</u>
Total unrestricted funds	<u>14,989,538</u>	<u>1,909,740</u>	<u>(1,722,746)</u>	<u>664,611</u>	<u>(150,000)</u>	<u>15,691,143</u>
Total funds	<u><u>18,320,794</u></u>	<u><u>2,304,924</u></u>	<u><u>(1,995,280)</u></u>	<u><u>787,851</u></u>	<u><u>-</u></u>	<u><u>19,418,289</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

24. Financial instruments at fair value

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Financial assets measured at fair value	<u>14,511,967</u>	<u>13,168,877</u>	<u>14,511,967</u>	<u>13,168,877</u>

Financial assets measured at fair value comprise fixed asset investments.

25. Operating lease commitments

The charity held no operating lease commitments in the current or prior period.

26. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £60,566 (2020: £47,160) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £187,686 was due to the REME Museum (2020: £176,947).

The REME Charity also has control of the REME Trading Company Limited (company registration no. 10258502). The Operations Manager and one of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2021 were £Nil (2020: £131,777). An amount of £131,777 of this balance was written off during the year. This balance related to stock that had been transferred from the Charity to REME Trading where no consideration was paid and to some start up funding provided by the Charity. The REME Trading Company also donated £nil (2020: £11,252) and made sales of goods from the shop totalling £31,549 (2020: £22,960) to the REME Charity during the year.

The Corps Secretary, who resigned during the year, was a Trustee of The Arborfield Association. The REME Charity paid £2,372 (2020: £4,744) to the Arborfield Association during the year from dividends generated by investments held in the Armed Forces Common Investment Fund unlisted portfolio.

One of the trustees is also a trustee of Army Rifle Association. The REME Charity paid £140 (2020: £nil) to the Army Rifle Association during the year for entry fees.

27. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

The consolidated financial statements include the results of The Corps of Royal Electrical and Mechanical Engineers Museum (the REME Museum), charity number 272740. The REME Charity is deemed to have control over the REME Museum by having sole corporate trusteeship. The REME Museum contributes to the esprit de corps objects of The REME Charity.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

27. Subsidiary undertakings (continued)

Results for the period

	2021	2020
	£	£
Gross income	442,619	435,352
Expenditure	(461,158)	(410,232)
Results for the year (excluding gains / losses)	<u>(18,539)</u>	<u>25,120</u>

Net assets

	2021	2020
	£	£
Assets	3,323,541	3,339,728
Liabilities	(10,456)	(8,015)
Total museum funds	<u>3,313,085</u>	<u>3,331,713</u>

The REME Trading Company Limited

The consolidated financial statements include the results of The REME Trading Company Limited (REME Trading), company number 10258502. REME Trading was incorporated to operate the cafe and shop situated within the REME museum. The REME Charity is deemed to have control over REME Trading, the directors of REME Trading being key management personnel of The REME Charity.

Results for the period

	2021	2020
	£	£
Turnover	174,310	165,006
Cost of sales	(140,985)	(105,310)
Gross profit	33,325	59,696
Other operating income	99,906	-
Administrative expenses	(59,186)	(67,432)
Operating profit / (loss)	74,045	(7,736)
Tax on profit / (loss)	<u>-</u>	<u>-</u>
Profit for financial year	<u>74,045</u>	<u>(7,736)</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2021

27. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2021	2020
	£	£
Assets	66,741	123,749
Liabilities	(5,041)	(136,094)
Total reserves	<u>61,700</u>	<u>(12,345)</u>

28. Parent charity

The parent charity's gross income and the results for the year are:

	2021	2020
	£	£
Gross income	1,982,093	1,786,188
Surplus for the year (excluding gains / losses)	<u>180,382</u>	<u>292,262</u>

THE REME CHARITY

England & Wales - Charity number 1165868

Accounts

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2020



The REME Charity

Reference and administrative details

For the year ended 31 December 2020

Company number 10036700

Charity number 1165868

Registered office and operational address
The REME Charity
RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Maj Gen S M Andrews CBE	Chairman
Col M J A Bullard MBE	
Col (Retd) R Fram MC	
Mr A P Graham	
Capt PCD Hembury	
Col C P Phillips CBE	
Ms C C Robinson	
Col A J Rogers ADC	
Col D G Scott	
Col M A Simpson QVRM TD VR	

Corps Secretary and Chief Executive Officer Lt Col (Retd) M J Tizard

Treasurer	Mrs Claire Barrett	(resigned 3 March 2021)
	Mr Steven Butcher	(appointed 1 February 2021)

Bankers
Holt's Farnborough Branch
Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Solicitors
Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wilts
SP1 2SB

The REME Charity

Reference and administrative details

For the year ended 31 December 2020

Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU	BlackRock (for the AFCIF holding) 33 King William Street London EC4R 9AS
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Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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The REME Charity

Report of the trustees

For the year ended 31 December 2020

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the Articles of Association of The REME Charity dated 2 March 2016 and the 2019/20 REME Charity Governance Manual.

The Corps of Royal Electrical and Mechanical Engineers (REME) has been supported by a charity since 1945. The REME inaugural charities were the REME Benevolent Fund and REME Scholarship funds but, over the years, these charities have been linked, closed and joined by others. Today, The REME Charity is the headline charity which has the REME Central Charitable Trust (296030-1), the REME Benevolent Fund (246967-1) and the REME Sports Association (246967-2) linked to it. The REME Museum (27240) is included in these group accounts as it governed by the same Trustee Board and is administered by the REME Charity.

Since its formation in 2016, the Charity continues to develop its operations and organisation. An annual trustee workshop, usually held in March of each year, sets the themes for the year. In 2020 the Charity concentrated on measuring its impact and further evolving its outreach to REME veterans through its Connect project. While the COVID-19 pandemic created some difficulties, outreach was improved through a national network of 150 COVID volunteers and the launching of a new REME Connect website. Work is also in hand to bring the REME Trading Company under the control of the Charity.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the Board of Trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the Board remains current and effective. There were no changes to the Board of Trustees in 2020.

Organisational structure and governance

The Board of Trustees is an independent decision making governing body which meets at least twice a year. The board consists of 10 Trustees led by a Chairman. Trustees are given responsibility for different areas of the business and chair separate sub-committees to monitor performance and exercise governance. The Finance and Investment Committee meets twice yearly, while the Benevolence Committee meets on a monthly basis. The execution of the day to day running of the business is delegated to the Executive team, of the Chief Executive Officer and other principal officers of the Charity with delegated spending powers defined in the Governance Manual.

The REME Charity

Report of the trustees

For the year ended 31 December 2020

Risk management

The Charity maintains a risk register which is reviewed annually. Risks are categorised in five main areas: Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. While the reduction in the size of the REME Corps and the subsequent reduction in income being received through the day's pay giving scheme is of concern, the two highest risks are currently assessed as staff churn and maintaining a competent and compliant finance department. As we move into 2021, a replacement Treasurer has been recruited and we await the detailed implications of The Army Charities Strategy which has reviewed the relationship between military charities and the Regimental Headquarters.

OBJECTS AND ACTIVITIES

Public benefit

We provide public benefit by assisting REME regular and reserve personnel to more effectively perform their roles and duties within the British Army. We also support the retired veteran community and their families and enhance esprit de corps by promoting the concept of support to the REME family for life. We do this by providing funding for benevolence, welfare, in-house publications, sports, adventurous activities, social gatherings and events. This assistance also enables Service personnel to face the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, confidence, character, spirit and morale. We promote the efficiency of the armed forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests. By supporting the wider REME family we assist the Government in fulfilling its promise in the Armed Forces Covenant to treat serving personnel, veterans and their families fairly. Through our support to the REME Museum we preserve the heritage of the Corps of REME through collecting and conserving appropriate artefacts, memorabilia and memories for future generations and communicate the story of REME and the people who served in the Corps to the visiting public and to the wider audience on-line.

Objects

The REME Charity is independent of the military authorities, and whilst working in conjunction with them, it undertakes a crucial function as the needs and ambitions of the REME family go beyond the bounds of the resources and policies of the Army and MOD. We meet the needs and ambitions through three objects which in the formal language of governance are:

- a) To promote the efficiency of REME and foster esprit de corps;
- b) To relieve either generally or individually necessitous persons being members or former members of REME or their dependants (beneficiaries); and
- c) To support charitable purposes for the benefit of beneficiaries.

The objects allow the charity to provide support to REME regular, reserve and retired personnel and their families. This is done through the provision of grants to groups and/or individuals and through arranging social events which promote REME efficiency, ethos and comradeship, giving members a sense of belonging to the REME family.

The REME Charity

Report of the trustees

For the year ended 31 December 2020

2020 themes and activities

The main themes for 2020 were to meet grant demands, consolidate the Charity reform programme and to further expand membership of the REME Association by reaching out to past members. No one could have predicted the wide-ranging impact of COVID-19 which has resulted in significant changes to the year's planned activities:

a) The Executive Team were sent home on 23 March 2020 as part of HM Government lockdown policy and began working from home. New ways of working were quickly established and Skype and Zoom calls became the norm. The Executive streamlined processes and while ensuring compliance to regulations went almost entirely paperless. We are grateful for the financial support we have received through the Government's Furlough Scheme; this amounted to £7,157;

b) COVID-19 caused an early adjustment of the budget, and funds were diverted from sport and esprit de corps activities, which had been severely curtailed, to benevolence. The Trustees agreed to maintain higher than normal cash holdings to meet a potential increase in benevolence grants. It transpired that demand in 2020 remained at historic levels and additional funds were not required. At year end, the high levels of cash remain and will be carried forward into 2021 and should demand increase the Charity will be well placed to provide support;

c) The REME Charity provides grants in collaboration with other military charities some of whom were struggling with their own fund raising as a result of COVID-19. We were pleased to be able to make extraordinary grants of £10,000 to the Royal British Legion Industries, and £100,000 to the Army Benevolent Fund, The 'Soldiers' Charity;

d) Assistance is not always in the form of Grants. In May 2020 one of our serving soldiers suffered life changing injuries as a result of an accident. We assisted with immediate help at his hospital bedside and later by using our legal team to set up a Personal Accident Trust Fund for the family. This assistance has ensured the family are on a firm financial and legal position going forward;

e) As the year progressed it became clear that sporting and esprit de corps activities were unlikely to restart. While some funding was switched to benevolence the overall result was an underspend to the sport and esprit de corps budgets. In lieu of offsetting function costs, the Officers' Mess took the opportunity to purchase additional crockery and cutlery to increase the number of place settings at dinners and thus be in a position to enhance future esprit de corps events. The Charity reviewed how it could provide support to those in need and provided one off Covid Support Grants to the serving and retired communities via units and REME Association branches. As a result, over £45,000 was granted and distributed out to the most in need; and

f) The REME Association reform continued. As a direct response to lockdown, in late March 2020 we launched a plea for volunteers to assist those who might feel isolated and in need of help. Very quickly 150 volunteers stepped forward and a nationwide volunteer framework was established. While only a few calls for assistance were ever made, the scheme did serve to improve our outreach. Newsletters continued to be sent out every 6 weeks, and the audience increased to just over 1,500. An additional REME Association Branch was also established; The Recovery Mechanic branch are the first trade related non-territorial branch and it is hoped more will follow. One casualty was the re-valuation of property and while this continued, progress was slower than expected and it will conclude in 2021. Finally, in order to best exploit and expand the Association's outreach a marketing expert was engaged. Work started in the autumn and is reporting during 2021.

The REME Charity

Report of the trustees

For the year ended 31 December 2020

Strategies to achieve objects

The Trustees make an annual estimate of the likely financial call on the Charity in order to meet its objects. A formal budgeting system is used, and monthly expenditure tracked against it. The Trustees' strategy is, in general terms, to meet the reasonable need of all applicants and thus ensuring enough income is received by the Charity is vital. The income stream is varied but comes mainly from the Day's Pay Giving Scheme, from investment returns, donations and some sponsorship. The Charity has an effective structure of sub-committees chaired by a Trustee, which ensures good governance throughout the year. Investment income targets are placed on the Investment Manager and donations and sponsorship are encouraged from the veteran community and beyond. These strategies enable the objects to be met.

Significant charitable activities

The Charity's objects are primarily met through grant making, but COVID-19 saw a significant change in the planned activities. While the Benevolent Fund maintained historical spending norms making individual grants to 367 (2019: 424) serving and retired members of the Corps, sport, adventurous training and esprit de corps events were vastly reduced. There were 7 (2019: 135) adventurous exercises involving 62 (2019: 1,884) officers and soldiers and while 37 (2019: 36) different sports were supported their spend was 56% down on 2019. All esprit de corps activities after March were cancelled or postponed; the result was a % reduction in spending. The monthly magazine, 'The Craftsman' and a REME calendar were produced and served to be a lifeline to those in isolation and lockdown. Miscellaneous discretionary grants increased partially due to gifting REME stable belts and nurturing packs to new REME recruits; this totalled £94,944 (2019: £74,741).

Grant making

Grants come from donated income received during the year and are made directly in support of charitable activities to meet with the Charity's objects. They include grants to support benevolence, adventurous training and sports, the REME Association, the REME Institution, the REME Messes, and the REME Chapels and Memorials, all of which contribute to promote unit cohesion and esprit de corps. The REME Museum also receives a grant to offset its operating costs and to support heritage activities.

ACHIEVEMENTS AND PERFORMANCE

Performance management

The Charity measures activity and grants to assess performance and where appropriate, set goals. Income is measured by reviewing the percentage of regular and reserve officers and soldiers who donate through the Day's Pay Giving Scheme, measuring investment income against target, measuring income from veterans and measuring sponsorship income. This is translated into detailed grants budgets across all areas and the outturn monitored monthly.

2020 performance and impact

The 2020 budget was set and approved by the Trustees in their 2019 autumn meeting. There are over 40 separate fund managers and bids were screened and approved, and income forecasts completed. All approved bids were met and as a result of COVID-19, and the lack of opportunity to spend on sporting and esprit de corps activities a large surplus of £317,380 was reported. As a result in the inclusion of Reservists in the data, contributions via the Days Pay Giving Scheme are down as shown: Officers' at 83.5% (2019: 93%) and Soldiers' at 79.4% (2019: 81%). Work is in hand to increase participation in the Day's Pay Giving Scheme.

The REME Charity

Report of the trustees

For the year ended 31 December 2020

Investment performance

Due to the global pandemic the investment market suffered a strategic shock in 2020 and while returns have been unaffected in the short term, the longer term future (2022/23 and beyond) is less certain. At year end the market value of the Sarasin and Partners REME Charity portfolio was £11,938,497 and the value of the Resilience Portfolio was £952,170; this represented an annual increase of 9.3% and 5.0% respectively an achievement which, given the circumstances, we are pleased with. The income target of £250,000 was achieved. The Blackrock Armed Forces Common Investment Fund (AFCIF) changed and became the Blackrock Armed Forces Income and Growth Fund and was worth £278,210 an increase of 4.8%; an income of £9,488 was achieved. The market value of the Charity investments on 31 December 2020 was £13,168,877.

Funding sources

The Charity is supported through donations from officers and soldiers through the Day's Pay Giving Scheme, investment income, bank interest, property income, sponsorship, fundraising and general donations.

FINANCIAL REVIEW

Income

Income for the Charity was £2,174,379 which includes £261,465 of services and facilities donated by the MoD, and £972,783 from donations from regular and reserve officers' and soldiers' through the Day's Pay Giving Scheme. In 2020 the Warrant Officers' and Senior Non-Commissioned Officers' agreed to increase their charitable donation from 100% of a day's pay to 120%. This additional income will be placed in a restricted fund for the use in the HQ WOs' and Sgts' Mess to enhance future esprit de corps activities. Income donated from retired officers' who are members of the REME Institution was £33,700. Gift aid of £12,648 was recovered and investments and interest income was £423,926. We constantly look for potential new sources of income and are pleased that our supporters through the use of Amazon Smile have contributed £831 in 2020.

Expenditure

Expenditure for the year was £1,856,999 and comprised £587,476 in esprit de corps activity, £440,990 in grants, £328,890 on the museum, £380,847 on support costs and £118,796 on investment management and fundraising costs. It can be attributed to the following areas:

- a) Benevolence Grants totalled £385,689 which was 38% above the budget of £280,000 but included extraordinary grants of £10,000 to the Royal British Legion Industries, and £100,000 to the Army Benevolent Fund, The 'Soldiers' Charity. 424 grants were made, 52 to serving personnel and 372 to those retired. The average grant was £456;
- b) One off grants in support of COVID-19 totalled £45,000;
- c) The REME Museum was given a grant of £47,160.
- d) Publications expenditure was £100,728. This can be attributed to £94,489 for the production of the monthly newsletter (the Craftsman magazine) and £6,239 for the publication of the REME calendar;
- e) Expenditure on REME sports and adventurous and enterprising activities in the UK and Germany was well down as a result of COVID-19. We spent £215,752 of which £203,909 was spent on sport and £11,843 on adventurous and enterprising activities which includes winter sports;

The REME Charity

Report of the trustees

For the year ended 31 December 2020

f) REME Discretionary Funds were £94,944 and were over the £40,000 budget. This was attributed to the purchase and presentation of REME belts and nurturing packs to new REME recruits;

g) Staff salaries and governance costs were £550,602. The following are of note; salaries were £62,760 for the Charity and £250,962 for the Museum but the MoD contributed £179,511 in Grant in Aid to offset Museum salaries; contractors were employed to cover resource shortfalls and projects and cost £7,718; and

h) Additional accounting costs of £3,240 were incurred to provide advice on the incorporation of the REME Trading Company Ltd, into the REME Charity.

Factors outside of the charity's control

It was impossible to predict the impact of COVID-19, but the Charity adapted and mitigated where possible including by the successful application of the Government Furlough Scheme. Ordinarily, there are many factors which impact on our performance, with the main areas being the reliance on MoD for their donated services, the performance of the stock market, and the changes to the structure and size of the REME imposed under government defence reviews.

Reserves policy

The Trustees review the reserves policy annually and aim to match the amount held in reserves to mitigate against potential financial threats and needs over the long term. The charity relies upon the MoD for administration of the Day's Pay Giving Scheme, provision of infrastructure, utilities, IT systems, office supplies and a proportion of staff costs. If these MoD donated services were to be withdrawn, the Charity would suffer a strategic shock. The Charity's reserves must be able to meet such a strategic shock if it were to occur and accordingly part of our investments are held in a more conservatively managed Resilience Portfolio. Furthermore, military operations overseas are expected to have an impact on the benevolent grants which are expected to increase in the coming year. Taken overall, the Trustees have assessed the level of reserves held in the charity's investment portfolio, and which may be required to meet these contingencies, should be in the region of £15M.

Funds in deficit

The Charity has no deficits. The Trustees assess the loan to The REME Trading Company as manageable. The Trading Company will be moved into the Charity in 2021.

Financial position

The trustees consider that the assets held by the charity enable the fund to meet its foreseen future obligations. Given the charity's current level of reserves, including investment assets of £13.1M and £856k of cash, the trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(c) to the financial statements.

Dependency on donors

The viability of the charity depends on the continuance of voluntary donations from serving officers and soldiers and veterans.

The REME Charity

Report of the trustees

For the year ended 31 December 2020

Funds held as custodian trustee

No funds are held as custodian trustee.

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

Much progress has been made since the Charity formed in 2016, and it continues to grow and evolve to meet the demands placed upon it. Our future aims are based around the following areas:

- a) Impact and Connection were the chosen themes for 2020 and these will continue into 2021. The marketing project starting in late 2020 will report in early 2021 and will enable the Charity to develop a targeted plan to increase our outreach to veterans. The aim is to increase numbers from c1,500 to 10,000;
- b) Due to COVID-19 the review of donors who give via the Day's Pay Giving Scheme has been delayed. This work will be re-started in 2021 to trace some of those that we have missed. The aim is to increase donated income;
- c) We will carry out a Trustee Workshop to identify areas for development. We will build on the Impact and Reach work carried out in 2020. This may involve an organisational review to configure the Charity appropriately to ensure we continue to meet our beneficiaries needs;
- d) We will continue to monitor and mitigate risk and will pay particular attention to VAT and its applicability to our charity. The aim is to ensure statutory compliance; and
- e) Following accounting advice, the REME Trading Company which currently operates as an independent company will be brought into the REME Charity and become a trading subsidiary. A review will be carried out in early 2021 to codify the new structure and determine an appropriate governance structure.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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 trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;

The REME Charity

Report of the trustees

For the year ended 31 December 2020

- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 21 April 2021 and signed on their behalf by



Maj Gen S M Andrews CBE - Chairman

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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 statements 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of 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.

Independent auditors' report

To the members of

The REME Charity

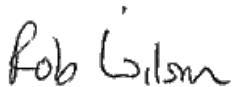
Our responsibilities for the audit of the financial statements

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 ISAs (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 the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 23 April 2021

Rob Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The REME Charity

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income from:					
Donations and legacies	3	247,434	1,356,524	1,603,958	1,506,593
Charitable activities	5	-	24,261	24,261	51,535
Other trading activities	6	105,442	16,772	122,214	123,409
Investments	7	42,308	381,638	423,946	416,114
Total income		395,184	1,779,195	2,174,379	2,097,651
Expenditure on:					
Raising funds		-	149,445	149,445	54,630
Charitable activities:					
Benevolence grants		21,228	533,538	554,766	419,290
Esprit de corps		249,806	489,238	739,044	1,127,904
Museum		1,500	412,244	413,744	370,605
Total expenditure	8	272,534	1,584,465	1,856,999	1,972,429
Net income before investment gains		122,650	194,730	317,380	125,222
Net gains on investments		123,240	674,150	797,390	1,564,607
Net income		245,890	868,880	1,114,770	1,689,829
Transfers between funds		150,000	(150,000)	-	-
Other recognised gains / (losses):					
Losses on revaluation of fixed assets		-	-	-	(25,000)
Gains/ (losses) on revaluation of heritage assets	14	-	(9,539)	(9,539)	609,667
Net movement in funds	9	395,890	709,341	1,105,231	2,274,496
Reconciliation of funds:					
Total funds brought forward		3,331,256	14,994,147	18,325,403	16,050,907
Total funds carried forward		3,727,146	15,703,488	19,430,634	18,325,403

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

The REME Charity

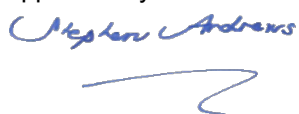
Consolidated balance sheets

As at 31 December 2020

	Note	The group 2020 £	The group 2019 £	The charity 2020 £	The charity 2019 £
Fixed assets					
Tangible assets	13	461,211	519,621	269,971	294,651
Heritage assets	14	4,105,773	4,114,349	1,353,060	1,364,096
Fixed asset investments	15	13,168,877	12,253,315	13,168,877	12,253,315
Investment property	16	500,000	450,000	500,000	450,000
		<u>18,235,861</u>	<u>17,337,285</u>	<u>15,291,908</u>	<u>14,362,062</u>
Current assets					
Stocks	17	133,747	125,852	133,747	125,852
Debtors	18	289,911	278,483	235,999	220,797
Cash at bank and in hand		856,365	675,851	691,449	418,412
		<u>1,280,023</u>	<u>1,080,186</u>	<u>1,061,195</u>	<u>765,061</u>
Liabilities					
Creditors due within 1 year	19	(75,482)	(75,556)	(244,413)	(91,970)
Net current assets		<u>1,204,541</u>	<u>1,004,630</u>	<u>816,782</u>	<u>673,091</u>
Total assets less current liabilities		<u>19,440,402</u>	<u>18,341,915</u>	<u>16,108,690</u>	<u>15,035,153</u>
Creditors due after more than 1 year		(9,768)	(16,512)	(9,768)	(16,512)
Net assets	21	<u>19,430,634</u>	<u>18,325,403</u>	<u>16,098,922</u>	<u>15,018,641</u>
Funds	22				
Restricted funds		3,727,146	3,331,256	3,704,865	3,327,475
Unrestricted funds					
Designated funds		3,369,431	3,342,976	60,000	40,000
General funds		12,334,057	11,651,171	12,334,057	11,651,166
Total charity funds		<u>19,430,634</u>	<u>18,325,403</u>	<u>16,098,922</u>	<u>15,018,641</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 21 April 2021 and signed on their behalf by



Maj Gen S M Andrews CBE - Chairman

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2020

	2020	2019
	£	£
Cash used in operating activities:		
Net movement in funds	1,105,231	2,274,496
Adjustments for:		
Depreciation charges	143,489	64,881
Revaluation (gains) / losses on fixed assets	-	25,000
Revaluation (gains) / losses on heritage assets	9,539	(609,667)
Donation of heritage assets	(2,286)	(5,981)
(Gains) / losses on investments	(797,390)	(1,564,607)
Dividends, interest and rents from investments	(423,946)	(416,114)
Loss / (profit) on the disposal of heritage assets	1,663	580
Decrease / (increase) in stock	(7,895)	(13,344)
Decrease / (increase) in debtors	(11,428)	(9,507)
Increase / (decrease) in creditors	(6,818)	(25,289)
Net cash provided by / (used in) operating activities	10,159	(279,552)
Cash flows from investing activities:		
Dividends, interest and rents from investments	423,946	416,114
Purchase of tangible fixed assets	(85,079)	(3,939)
Purchase of heritage assets	(340)	-
Purchase of investments	(325,000)	(186,195)
Transfer between investment cash accounts	156,828	43,729
Net cash provided by / (used in) investing activities	170,355	269,709
Increase / (decrease) in cash and cash equivalents in the year	180,514	(9,843)
Cash and cash equivalents at the beginning of the year	675,851	685,694
Cash and cash equivalents at the end of the year	856,365	675,851

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The REME Charity 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 notes for investments (notes 1m, 1n) and heritage assets (note 1l).

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiary, The Corps of Royal Electrical and Mechanical Engineers Museum (charity registration number 272740) on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two charities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

In accordance with Charity Commission guidance, all linked charities per a Scheme dated 28 October 2016 are required to be reported as restricted funds. The linked charities comprise:

- Royal Electrical and Mechanical Engineers Central Charitable Trust (charity no. 1165868-1);
- The Royal Electrical and Mechanical Engineers' Benevolent Fund (charity no. 1165868-2);
- Royal Electrical and Mechanical Engineers' Hotel Fund (charity no. 1165868-3 - now closed and removed from the register); and
- The General Fund of the Royal Electrical and Mechanical Engineers Sports Association (charity no. 1165868-4).

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have considered the charity's circumstances, and in particular the impact of the COVID-19 pandemic on the charity's current and future financial position. The charity holds unrestricted, general reserves of £12.3m, investment assets that can be drawn down if necessary of £13.2m and a cash balance of £856k. The trustees therefore consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies (continued)

d) Income (continued)

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received for advertising in advance of publication is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies (continued)

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on the proportion of direct costs, as follows:

	2020	2019
Raising funds	8.0%	2.8%
Charitable activities:		
Benevolence grants	29.9%	21.3%
Esprit de corps	39.8%	57.1%
Museum	22.3%	18.8%

The proportion of direct costs attributable to raising funds activities has increased due to the inclusion of investment manager fees in 2020. In 2019, fees were netted against fee rebates received from the investment managers.

j) Grants payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

k) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Yachts	10 years straight line to residual value of £70,000
Furniture and equipment	3 - 10 years straight line basis

Items of equipment are capitalised where the purchase price exceeds £2,000.

l) Heritage assets

The charity is the repository of thousands of items, which are held in the Museum, the Messes, the Church or the Headquarters, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies (continued)

l) Heritage assets (continued)

Items are recorded at cost when an acquisition has been made by purchase. The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations which are by their nature subjective. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the Collection. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and occasionally written valuations are unavailable.

The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation.

In respect to non-Museum heritage assets, the complete asset register for all areas is maintained and reviewed each year by the Corps Property Manager for movements within the holdings and these are adjusted through repairs and maintenance. The assets are generally valued at 50% of insurance value. The most recent valuation for artworks was carried out by Madley Associates, fellows of the National Association of Valuers and Auctioneers, in 2020. Silverware was revalued in 2020, but the final report will be received in 2021.

All heritage assets are reviewed for impairment annually and any charge taken to the SoFA.

m) Investment property

Investment properties are included in the balance sheet at fair value and are not depreciated. Changes in fair value are recognised in the statement of financial activities. Investment property is professionally revalued every two years, and informally reviewed for impairment annually.

n) Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

o) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) Debtors

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

q) Cash at bank and in hand

Cash at bank and cash 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.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies (continued)

r) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

t) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

u) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

v) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1k to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Revaluations

Heritage assets and investment property are stated at estimated fair value based on periodic valuations, as disclosed in notes 1l and 1m.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2019 Total £
Income from:			
Donations and legacies	255,287	1,251,306	1,506,593
Charitable activities	4,000	47,535	51,535
Other trading activities	94,191	29,218	123,409
Investments	42,159	373,955	416,114
Total income	395,637	1,702,014	2,097,651
Expenditure on:			
Raising funds	4,282	50,348	54,630
Charitable activities:			
Benevolence grants	305,098	114,192	419,290
Esprit de corps	702,515	425,389	1,127,904
Museum	1,944	368,661	370,605
Total expenditure	1,013,839	958,590	1,972,429
Net gains on investments	131,558	1,433,049	1,564,607
Net expenditure	(486,644)	2,176,473	1,689,829
Transfers between funds	693,069	(693,069)	-
Other recognised gains / (losses):			
Losses on revaluation of fixed assets	-	(25,000)	(25,000)
Gains on revaluation of heritage assets	-	609,667	609,667
Net movement in funds	206,425	2,068,071	2,274,496

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

3. Income from donations and legacies

	Restricted £	Unrestricted £	2020 Total £
Subscriptions - retired officers	13,480	20,220	33,700
Subscriptions - serving officers	177,861	120,379	298,240
Subscriptions - museum (gold card)	-	95,905	95,905
Subscriptions - other ranks	11,807	533,131	544,938
Sports association grants	15,274	-	15,274
MOD grant in aid	-	179,511	179,511
Armed Forces Covenant Trust grant	20,000	-	20,000
ABF donation	251	-	251
Other donations	3,761	55,138	58,899
Donated heritage assets	-	2,286	2,286
Legacies	5,000	-	5,000
Donated investment management services	-	88,489	88,489
Donated services and facilities *	-	261,465	261,465
Total income from donations and legacies	247,434	1,356,524	1,603,958

Prior period comparative

	Restricted £	Unrestricted £	2019 Total £
Subscriptions - retired officers	14,170	21,255	35,425
Subscriptions - serving officers	115,201	114,553	229,754
Subscriptions - museum (gold card)	-	92,299	92,299
Subscriptions - other ranks	10,253	509,451	519,704
Sports association grants	100,575	-	100,575
MOD grant in aid	-	170,443	170,443
ABF donation	400	-	400
Other donations	14,688	110,683	125,371
Donated heritage assets	-	5,981	5,981
Donated services and facilities *	-	226,641	226,641
Total income from donations and legacies	255,287	1,251,306	1,506,593

* Donated services and facilities consists of:

	2020 £	2019 £
Donated staff time	211,362	177,009
Donated facilities - office premises, equipment and utilities	50,103	49,632
	261,465	226,641

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities, and from HMRC under the Coronavirus Job Retention Scheme. The total value of such grants in the period ending 31 December 2020 was £186,668 (2019: £170,443) of which £7,157 related to the Coronavirus Job Retention Scheme (the Furlough Scheme). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

	Restricted £	Unrestricted £	2020 Total £
Museum admission	-	20,917	20,917
Children's activities	-	1,889	1,889
Museum research	-	1,455	1,455
Total income from charitable activities	-	24,261	24,261

Prior period comparative

	Restricted £	Unrestricted £	2019 Total £
Museum admission	-	41,200	41,200
Children's activities	-	3,608	3,608
Museum research	-	2,727	2,727
British Museum grant	4,000	-	4,000
Total income from charitable activities	4,000	47,535	51,535

6. Income from other trading activities

	Restricted £	Unrestricted £	2020 Total £
Sponsorship	96,428	-	96,428
Other fundraising	9,014	16,772	25,786
Total income from other trading activities	105,442	16,772	122,214

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

6. Income from other trading activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2019 Total £
Sponsorship	85,500	-	85,500
Functions	2,145	-	2,145
Other fundraising	6,546	29,218	35,764
Total income from other trading activities	94,191	29,218	123,409

7. Income from investments

	Restricted £	Unrestricted £	2020 Total £
Income from listed investments	27,867	380,617	408,484
Property income	14,441	-	14,441
Bank interest	-	1,021	1,021
Total income from investments	42,308	381,638	423,946

Prior period comparative:

	Restricted £	Unrestricted £	2019 Total £
Income from listed investments	28,800	372,912	401,712
Property income	13,359	-	13,359
Bank interest	-	1,043	1,043
Total income from investments	42,159	373,955	416,114

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

8. Total expenditure

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2020 Total £
REME Museum	-	-	-	19,477	351	19,828
REME Institution (Officers' club)	-	-	9,003	-	2,318	11,321
Officers Mess functions and costs	-	-	9,570	-	-	9,570
Grants payable (note 12)	-	378,230	117,009	-	-	495,239
REME Sports	-	-	203,909	-	-	203,909
Association events and costs	-	-	9,779	-	-	9,779
REME Corps Sergeants' Mess	-	-	6,391	-	-	6,391
Office expenses	-	-	3	-	79,885	79,888
Depreciation and scrapped assets	-	-	-	58,451	85,038	143,489
Corps recruiting	-	-	70,908	-	-	70,908
Fundraising and investment property costs	7,062	-	-	-	-	7,062
Publication costs	-	-	100,728	-	-	100,728
Staff costs (note 10)	33,875	62,760	60,176	250,962	142,829	550,602
Insurance	-	-	-	-	7,281	7,281
Trustee expenses	-	-	-	-	2,442	2,442
Donated facilities	-	-	-	-	50,103	50,103
Investment manager fees	77,859	-	-	-	-	77,859
Legal and professional	-	-	-	-	10,600	10,600
Sub-total	118,796	440,990	587,476	328,890	380,847	1,856,999
Allocation of support and governance costs	30,649	113,776	151,568	84,854	(380,847)	-
Total expenditure	149,445	554,766	739,044	413,744	-	1,856,999

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

8. Total expenditure - prior period comparative (restated)

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	Restated 2019 Total £
REME Museum	-	-	-	15,248	3,013	18,261
REME Institution (Officers' club)	-	-	8,261	-	3,707	11,968
Officers Mess functions and costs	-	-	35,612	-	-	35,612
Grants payable (note 12)	-	294,441	148,915	-	-	443,356
REME Sports	-	-	460,706	-	-	460,706
Association events and costs	-	-	33,052	-	13,870	46,922
REME Corps Sergeants' Mess	-	-	14,656	-	-	14,656
Office expenses	-	-	-	-	85,464	85,464
Depreciation and scrapped assets	-	-	-	56,817	8,064	64,881
Corps recruiting	-	-	79,878	-	-	79,878
Fundraising and investment property costs	7,670	-	-	-	-	7,670
Publication costs	-	-	100,679	-	-	100,679
Staff costs (note 10)	38,105	56,887	63,325	238,469	117,391	514,177
Insurance	-	-	-	-	8,851	8,851
Trustee expenses	-	-	-	-	6,550	6,550
Donated facilities	-	-	-	-	49,632	49,632
Legal and professional	-	-	-	-	23,166	23,166
Sub-total	45,775	351,328	945,084	310,534	319,708	1,972,429
Allocation of support and governance costs	8,855	67,962	182,820	60,071	(319,708)	-
Total expenditure	54,630	419,290	1,127,904	370,605	-	1,972,429

The prior period comparatives have been restated for classification. Amounts previously shown under discretionary grants, adventurous and enterprising activities, Lyneham funding (D12) and REME Corps Sergeants' Mess are now all shown under grants payable. An analysis is provided in note 10.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

9. Net movement in funds

This is stated after charging:

	2020 £	2019 £
Depreciation	143,489	64,881
Operating lease payments	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	2,442	6,550
Auditors' remuneration:		
▪ Statutory audit (including VAT)	16,758	16,260
▪ Consultancy (including VAT)	3,240	-
	<u>167,929</u>	<u>81,691</u>

Trustees' reimbursed expenses comprise travel and accommodation costs relating to 4 trustees (2019: 4 trustees).

Total governance costs were £19,200 (2019: £22,810).

10. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	307,668	305,717
Social security costs	16,977	18,467
Pension costs	6,877	6,571
Donated salaries	211,362	177,009
Freelance staff	7,718	6,413
	<u>550,602</u>	<u>514,177</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the Trustees, Corps Secretary and Museum Director. The total employee benefits of the key management personnel paid by the charity and recognised as a gift in kind were £30,320 and £43,706 respectively (2019: £54,727 and £44,355).

	2020 No.	2019 No.
Average number of employees (head count):	<u>21</u>	<u>21</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

12. Grants payable

	Individuals £	Institutions £	Total 2020 £
Benevolence	163,689	195,000	358,689
Discretionary grants	13,509	81,435	94,944
Lyneham funding (D12)	-	18,234	18,234
Adventurous and enterprising activities	-	11,843	11,843
REME Corps Sergeants' Mess	-	11,529	11,529
	177,198	318,041	495,239
Prior period comparative			
	Individuals £	Institutions £	Restated Total 2019 £
Benevolence	193,743	85,000	278,743
Discretionary grants	1,901	72,839	74,740
Adventurous and enterprising activities	-	56,867	56,867
Lyneham funding (D12)	-	19,931	19,931
REME Corps Sergeants' Mess	-	13,075	13,075
	195,644	247,712	443,356

The charity's grant making activities are characterised by large numbers of small grants, paid to support serving and retired soldiers and officers of the REME Corps. Individual grants are rarely made direct to the individual beneficiary. Grants are usually processed via a third party organisation such as the Army Benevolent Fund; the Soldiers' Charity (ABF), The Sailors, Soldiers and Air Force Institution (SSAFA), or the Royal British Legion (RBL). If the beneficiary is a serving soldier, a grant is processed through the unit welfare organisation.

The trustees consider all grants paid to institutions over £25,000, which require trustee board approval, to be material in the context of the accounts. The total amount of grants paid over this amount in 2020 was 1, to the Army Benevolent Fund for £185,000 (2019: 1, for £85,000, to the Army Benevolent Fund). There were no other committed grants at 31 December 2020. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

13. Tangible fixed assets

Group	Yachts £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	280,000	852,540	1,132,540
Additions in year	-	85,079	85,079
At 31 December 2020	<u>280,000</u>	<u>937,619</u>	<u>1,217,619</u>
Depreciation			
At 1 January 2020	-	612,919	612,919
Charge for the year	<u>71,000</u>	<u>72,489</u>	<u>143,489</u>
At 31 December 2020	<u>71,000</u>	<u>685,408</u>	<u>756,408</u>
Net book value			
At 31 December 2020	<u>209,000</u>	<u>252,211</u>	<u>461,211</u>
At 31 December 2019	<u>280,000</u>	<u>239,621</u>	<u>519,621</u>

Charity	Yachts £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	280,000	40,730	320,730
Additions in year	-	60,358	60,358
At 31 December 2020	<u>280,000</u>	<u>101,088</u>	<u>381,088</u>
Depreciation			
At 1 January 2020	-	26,079	26,079
Charge for the year	<u>71,000</u>	<u>14,038</u>	<u>85,038</u>
At 31 December 2020	<u>71,000</u>	<u>40,117</u>	<u>111,117</u>
Net book value			
At 31 December 2020	<u>209,000</u>	<u>60,971</u>	<u>269,971</u>
At 31 December 2019	<u>280,000</u>	<u>14,651</u>	<u>294,651</u>

Following a change in accounting policy, yachts are now depreciated rather than revalued, on a straight line basis over ten years to a residual value of £70,000. As their net book value in the prior period is deemed to be materially fairly stated according to the new accounting policy, the prior period has not been restated. The prior period comparatives for furniture and equipment have been restated to correct an error in brought forward cost and depreciation, with no impact on the net book value in either period.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

14. Heritage assets

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
At 1 January 2020	4,114,349	3,499,281	1,364,096	1,467,444
Additions	2,626	5,981	-	3,750
Disposals	(1,663)	(580)	(1,663)	(580)
Revaluations	(9,539)	609,667	(9,373)	(106,518)
At 31 December 2020	4,105,773	4,114,349	1,353,060	1,364,096

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year summary of heritage asset transactions:

	2020	2019	2018	2017	2016
	£	£	£	£	£
Additions:					
Purchases	340	-	23,698	33,087	-
Donations	2,286	5,981	6,130	1,813	26,548
Total additions	2,626	5,981	29,828	34,900	26,548
Disposals:					
Carrying value	1,663	580	30	58,795	80,000
Proceeds	-	-	-	-	-
Revaluations	(9,539)	609,667	-	19,525	-

The REME Charity heritage assets

The REME Charity has gained a wide and varied collection of heritage assets since its formation in 1942. The assets are held within the Messes, the Church, and the Headquarters and have either been donated by individuals or units, or gifted by the MoD. The Collection which has been built up over many years reflects the wide range of artefacts ranging from wooden carvings, paintings, silver pieces, furniture and many trinkets and items of an ornamental nature.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the silver and artwork and recourse to the many websites, trade magazines, auction houses and professional catalogues.

During the year ended 31 December 2020 all artworks were revalued by a professional auctioneer. Silverware was valued during the year ended 31 December 2020, but delays relating to Covid-19 meant that the report was not available in completed form before 31 December 2020.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

14. Heritage assets (continued)

The REME Museum heritage assets

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

15. Fixed asset investments

	2020 £	2019 £
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2020	265,437	232,854
Unrealised gains	12,773	32,583
As at 31 December 2020	<u>278,210</u>	<u>265,437</u>
Sarasin Funds - all listed		
Market value at 1 January 2020	11,987,878	10,313,387
Additions	325,000	186,195
Transfers between cash accounts	(156,828)	(43,729)
Unrealised gains	734,617	1,532,025
As at 31 December 2020	<u>12,890,667</u>	<u>11,987,878</u>
Total investments	<u>13,168,877</u>	<u>12,253,315</u>

Included within investments are amounts held on behalf of other REME organisations, as follows:

	2020 %	2019 %	Market value 2020 £	2019 £
REME Benevolent Fund	0.3606%	0.3652%	46,494	43,780
REME HQ Officers Mess	3.8247%	3.8710%	493,094	464,302
REME Association	3.0613%	3.1000%	394,669	371,624
REME Museum	2.4827%	1.2489%	318,406	149,717
			<u>1,252,663</u>	<u>1,029,423</u>

16. Investment property

The charity owns Judnick House, a residential investment property. The property is held at fair value based on a market valuation obtained from an estate agent, Frank Schippers, dated 13 January 2021.

	2020 Total £	2019 Total £
Market value at 1 January 2020	450,000	450,000
Revaluation gains	50,000	-
Market value at 31 December 2020	<u>500,000</u>	<u>450,000</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

17. Stock

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Finished goods including wine for resale	133,747	125,852	133,747	125,852

18. Debtors

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Due within 1 year:				
Prepayments and accrued income	153,550	141,726	101,037	87,867
Other debtors	4,584	4,980	3,185	1,153
	158,134	146,706	104,222	89,020
Due in more than 1 year:				
Loan to REME Trading company	131,777	131,777	131,777	131,777
Total debtors	289,911	278,483	235,999	220,797

19. Creditors : amounts due within 1 year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	17,759	12,366	17,397	12,366
Social security and other taxes	6,263	5,874	6,263	5,874
Accruals	37,464	42,949	29,810	33,158
Other creditors	12,269	8,426	12,269	8,426
Deferred income	1,727	5,941	1,727	5,941
Intercompany	-	-	176,947	26,205
	75,482	75,556	244,413	91,970
Due in more than 1 year:				
Other creditors	9,768	16,512	9,768	16,512

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

20. Deferred income

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
At 1 January 2020	5,941	-	5,941	-
Deferred during the year	1,727	5,941	1,727	5,941
Released during the year	(5,941)	-	(5,941)	-
At 31 December 2020	<u>1,727</u>	<u>5,941</u>	<u>1,727</u>	<u>5,941</u>

Deferred income relates to prepaid advertising income for publications not yet published as at 31 December 2020.

21. Analysis of group net assets between funds

	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Tangible fixed assets	60,970	191,236	209,005	461,211
Heritage assets	1,353,060	2,752,713	-	4,105,773
Fixed asset investments	1,252,663	-	11,916,214	13,168,877
Investment property	500,000	-	-	500,000
Current assets	573,197	433,497	273,329	1,280,023
Current liabilities	(12,744)	(8,015)	(54,723)	(75,482)
Creditors due after more than 1 year	-	-	(9,768)	(9,768)
Net assets at 31 December 2020	<u>3,727,146</u>	<u>3,369,431</u>	<u>12,334,057</u>	<u>19,430,634</u>
Prior year comparative				
	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Tangible fixed assets	14,651	224,970	280,000	519,621
Heritage assets	1,364,096	2,750,253	-	4,114,349
Listed investments	1,029,423	-	11,223,892	12,253,315
Investment property	450,000	-	-	450,000
Current assets	498,626	377,544	204,016	1,080,186
Current liabilities	(25,540)	(9,791)	(40,225)	(75,556)
Creditors due after more than 1 year	-	-	(16,512)	(16,512)
Net assets at 31 December 2019	<u>3,331,256</u>	<u>3,342,976</u>	<u>11,651,171</u>	<u>18,325,403</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

22. Movements in funds

	At 1 January 2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2020 £
Restricted funds						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	-	5,000
Mrs E Brewin Bequest	14,180	-	(13,509)	-	-	671
Aliquot Shares	1,029,423	-	-	73,240	150,000	1,252,663
<i>Linked entities:</i>						
REME Benevolent Fund	-	7,718	(7,718)	-	-	-
HQ Officers Mess	1,648,440	89,079	(65,416)	-	-	1,672,103
REME Sports Association	-	111,440	(111,440)	-	-	-
REME Institution	604,760	78,473	(24,576)	50,000	-	708,657
REME Sergeants' Mess	25,672	57,786	(17,687)	-	-	65,771
REME Publications	-	11,358	(11,358)	-	-	-
REME Association	-	19,330	(19,330)	-	-	-
<i>REME Museum:</i>						
British Museum Project	3,781	-	-	-	-	3,781
Museum Play Park Fund	-	20,000	(1,500)	-	-	18,500
Total restricted funds	3,331,256	395,184	(272,534)	123,240	150,000	3,727,146

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

22. Movements in funds (continued)

	At 1 January 2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2020 £
Total restricted funds	3,331,256	395,184	(272,534)	123,240	150,000	3,727,146
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,836,066	311,050	(322,481)	(166)	-	2,824,469
Museum - development	466,910	104,302	(86,250)	-	-	484,962
REME Yacht Club Hulls	40,000	-	-	-	20,000	60,000
<i>Total designated funds</i>	<u>3,342,976</u>	<u>415,352</u>	<u>(408,731)</u>	<u>(166)</u>	<u>20,000</u>	<u>3,369,431</u>
General funds	<u>11,651,171</u>	<u>1,363,843</u>	<u>(1,175,734)</u>	<u>664,777</u>	<u>(170,000)</u>	<u>12,334,057</u>
Total unrestricted funds	<u>14,994,147</u>	<u>1,779,195</u>	<u>(1,584,465)</u>	<u>664,611</u>	<u>(150,000)</u>	<u>15,703,488</u>
Total funds	<u><u>18,325,403</u></u>	<u><u>2,174,379</u></u>	<u><u>(1,856,999)</u></u>	<u><u>787,851</u></u>	<u><u>-</u></u>	<u><u>19,430,634</u></u>

Purposes of restricted funds

Rory Cape Award Prize

The Rory Cape Award was instituted with a bequest from the family in 1974, to commemorate Captain Rory Cape REME, who took part in many adventurous activities but died tragically of cancer in 1972. The aim of this prestigious award is to encourage and further the interests of adventurous and enterprising pursuits within the REME.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

22. Movements in funds (continued)

Purposes of restricted funds

Mrs E Brewin Bequest

This fund was established in 2011 following the death of Mrs E Brewin, who was an avid supporter of the REME and wished that her estate be used to support REME widows who need benevolence. The funds are nearly exhausted, and it is anticipated the final payment will be made in 2021. The fund will then be closed.

Aliquot Shares

The REME Charity's investment portfolio was first created in 1985 from donations from a number of entities. Each of the entities is now inside the REME Charity and their percentage holding in the investment portfolio is expressed as an aliquot share holding.

Linked entities

The REME Charity was formed from the REME Charities in 2016. The antecedent charities are linked via a Charity Commission Scheme and are; The REME Central Charitable Trust (296030) and the REME Benevolent Fund (246967). The REME Sports Association charity (246967/1) was linked to the REME Benevolent Fund, but it now linked to the REME Charity under the same scheme. Income in these funds represents donations specifically restricted to each area of the charity. Where total expenditure exceeds income available, expenditure is limited to the available restricted funds.

Purpose of designated funds

Museum - general

The REME Museum is given an operating budget each year from the REME Charity.

Museum - development

The REME Development fund is to provide funding to develop the Museum. It is not to be spent on administration, but purely on developing exhibits, attracting visitors and generally improving the visitor experience.

REME Yacht Club Hulls

The REME Hulls fund was set up as a saving plan to purchase a new yacht every five years. £20k is deposited each year, so that £100k is available at the 5 year point.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

22. Movements in funds (continued)

Transfers between funds

The transfer into the aliquot fund represents an increase in the Museum's investment contribution. The transfers to designated funds represent an increase to the yacht reserve.

Prior period comparative	At 1 January 2019 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2019 £
Restricted funds						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	-	5,000
Mrs E Brewin Bequest	16,081	-	(1,901)	-	-	14,180
NMA Memorial fund	-	486	(9,174)	-	8,688	-
Aliquot Shares	885,631	-	-	131,558	12,234	1,029,423
<i>Linked entities:</i>						
REME Benevolent Fund	-	5,795	(279,086)	-	273,291	-
HQ Officers Mess	1,629,454	86,263	(67,277)	-	-	1,648,440
REME Sports Association	-	178,869	(464,947)	-	286,078	-
REME Institution	543,422	81,855	(20,517)	-	-	604,760
REME Sergeants' Mess	43,915	3,413	(21,656)	-	-	25,672
REME Publications	-	13,624	(106,848)	-	93,224	-
REME Association	-	21,332	(42,214)	-	20,882	-
<i>REME Museum:</i>						
British Museum Project	-	4,000	(219)	-	-	3,781
Other restricted funds	1,328	-	-	-	(1,328)	-
Total restricted funds	3,124,831	395,637	(1,013,839)	131,558	693,069	3,331,256

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

22. Movements in funds (continued) - prior year comparative

	At 1 January 2019 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2019 £
Total restricted funds	3,124,831	395,637	(1,013,839)	131,558	693,069	3,331,256
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,135,841	300,869	(318,157)	716,185	1,328	2,836,066
Museum - development	444,710	98,166	(75,966)	-	-	466,910
REME Yacht Club Hulls	20,000	-	-	-	20,000	40,000
Contingency Reserve	(20,000)	-	-	-	20,000	-
<i>Total designated funds</i>	<u>2,580,551</u>	<u>399,035</u>	<u>(394,123)</u>	<u>716,185</u>	<u>41,328</u>	<u>3,342,976</u>
General funds	<u>10,345,525</u>	<u>1,302,979</u>	<u>(564,467)</u>	<u>1,301,531</u>	<u>(734,397)</u>	<u>11,651,171</u>
Total unrestricted funds	<u>12,926,076</u>	<u>1,702,014</u>	<u>(958,590)</u>	<u>2,017,716</u>	<u>(693,069)</u>	<u>14,994,147</u>
Total funds	<u><u>16,050,907</u></u>	<u><u>2,097,651</u></u>	<u><u>(1,972,429)</u></u>	<u><u>2,149,274</u></u>	<u><u>-</u></u>	<u><u>18,325,403</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

23. Financial instruments at fair value

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Financial assets measured at fair value	<u>13,168,877</u>	<u>12,253,315</u>	<u>13,168,877</u>	<u>12,253,315</u>

Financial assets measured at fair value comprise fixed asset investments.

24. Operating lease commitments

The charity held no operating lease commitments in the current or prior period.

25. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £47,160 (2019: £30,250) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £176,947 was due from the REME Museum (2019: £26,205).

The REME Charity also has a relationship with the REME Trading Company Limited (company registration no. 10258502). The Corps Secretary, Deputy Corps Secretary and one of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2020 were £131,777 (2019: £131,777). The REME Trading Company also donated £11,252 (2019: £20,000) to the REME Charity during the year.

The Corps Secretary is also a trustee of The Arborfield Association. The REME Charity paid £4,744 (2019: £4,622) to the Arborfield Association during the year from dividends generated by investments held in the Armed Forces Common Investment Fund unlisted portfolio.

26. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

The consolidated financial statements include the results of The Corps of Royal Electrical and Mechanical Engineers Museum (the REME Museum), charity number 272740. The REME Charity is deemed to have control over the REME Museum by having sole corporate trusteeship. The REME Museum contributes to the esprit de corps objects of The REME Charity.

Results for the period

	2020	2019
	£	£
Gross income	435,352	403,036
Expenditure	<u>(410,232)</u>	<u>(394,342)</u>
Results for the year (excluding gains / losses)	<u>25,120</u>	<u>8,694</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2020

26. Subsidiary undertakings (continued)

Net assets

	2020	2019
	£	£
Assets	3,339,728	3,316,550
Liabilities	(8,015)	(9,791)
Total charity funds	<u>3,331,713</u>	<u>3,306,759</u>

27. Parent charity

The parent charity's gross income and the results for the year are:

	2020	2019
	£	£
Gross income	1,786,188	1,729,766
Results for the year (excluding gains / losses)	<u>292,262</u>	<u>116,526</u>