

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

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**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**

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<b>Investment advisor and nominee company</b>	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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<b>Auditors</b>	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**

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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**

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##### **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**

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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**

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##### **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**

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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

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#### 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

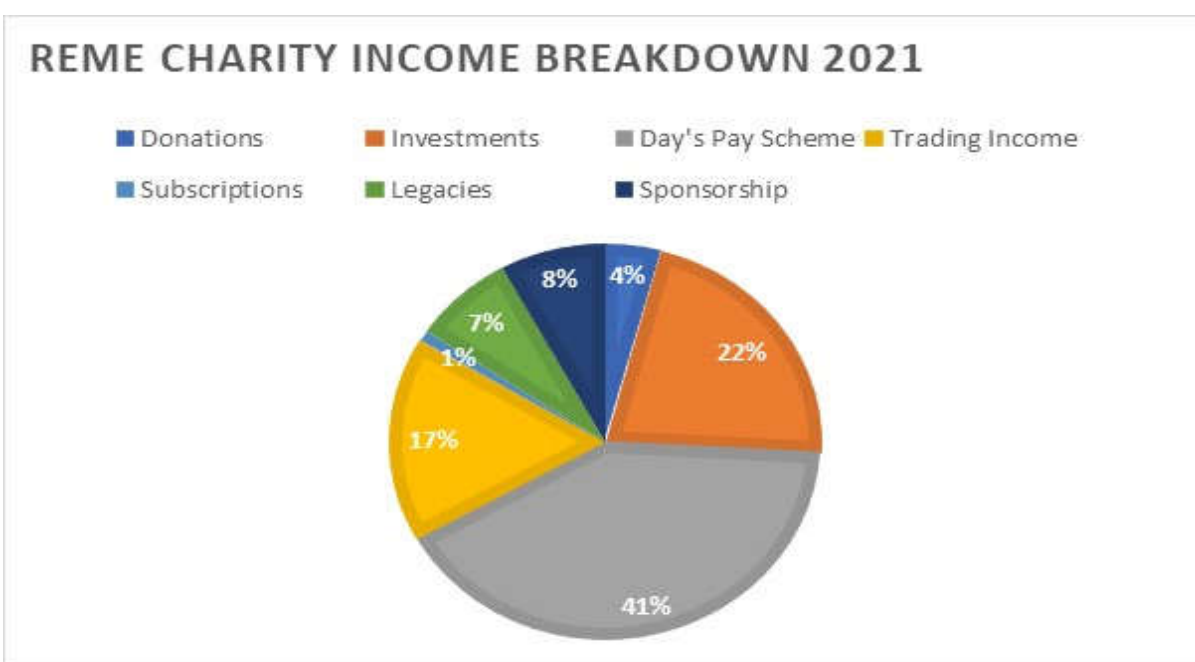
The charity has no deficits. The charity's loan to The REME Trading Company was written off in 2021 to reflect the amount of slow moving stock transferred and start up funding provided when the Trading Company was first established.

#### 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**

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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**

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#### **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**

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#### **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**

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#### **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**

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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**

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#### **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**

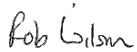
#### **The REME Charity**

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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](http://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				
<b>Income from:</b>					
Donations and legacies	3	418,453	1,469,962	<b>1,888,415</b>	1,592,457
Charitable activities	5	-	34,327	<b>34,327</b>	24,261
Other trading activities	6	421	194,516	<b>194,937</b>	264,260
Investments	7	32,624	361,607	<b>394,231</b>	423,946
<b>Total income</b>		<u>451,498</u>	<u>2,060,412</u>	<u><b>2,511,910</b></u>	<u>2,304,924</u>
<b>Expenditure on:</b>					
Raising funds		12,307	422,537	<b>434,844</b>	343,626
Charitable activities:					
Benevolence grants		135,391	302,639	<b>438,030</b>	545,837
Esprit de corps		210,335	685,187	<b>895,522</b>	698,731
Museum		10,882	496,740	<b>507,622</b>	407,086
<b>Total expenditure</b>	8	<u>368,915</u>	<u>1,907,103</u>	<u><b>2,276,018</b></u>	<u>1,995,280</u>
<b>Net income before investment gains</b>		82,583	153,309	<b>235,892</b>	309,644
Net gains on investments		<u>45,481</u>	<u>833,100</u>	<u><b>878,581</b></u>	<u>797,390</u>
<b>Net income</b>		128,064	986,409	<b>1,114,473</b>	1,107,034
Transfers between funds		17,190	(17,190)	-	-
<b>Other recognised gains / (losses):</b>					
Gains/ (losses) on revaluation of heritage assets	14	<u>-</u>	<u>68,145</u>	<u><b>68,145</b></u>	<u>(9,539)</u>
<b>Net movement in funds</b>	9	145,254	1,037,364	<b>1,182,618</b>	1,097,495
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>3,727,146</u>	<u>15,691,143</u>	<u><b>19,418,289</b></u>	<u>18,320,794</u>
<b>Total funds carried forward</b>		<u><u>3,872,400</u></u>	<u><u>16,728,507</u></u>	<u><u><b>20,600,907</b></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 £
<b>Fixed assets</b>					
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
		<b>19,512,773</b>	<b>18,237,675</b>	<b>16,557,944</b>	<b>15,291,908</b>
<b>Current assets</b>					
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
		<b>1,200,057</b>	<b>1,270,244</b>	<b>952,288</b>	<b>1,061,195</b>
<b>Liabilities</b>					
Creditors due within 1 year	20	(108,899)	(79,862)	(281,088)	(244,413)
<b>Net current assets</b>		<b>1,091,158</b>	<b>1,190,382</b>	<b>671,200</b>	<b>816,782</b>
<b>Total assets less current liabilities</b>		<b>20,603,931</b>	<b>19,428,057</b>	<b>17,229,144</b>	<b>16,108,690</b>
Creditors due after more than 1 year		(3,024)	(9,768)	(3,024)	(9,768)
<b>Net assets</b>	22	<b>20,600,907</b>	<b>19,418,289</b>	<b>17,226,120</b>	<b>16,098,922</b>
<b>Funds</b>	23				
Restricted funds		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
<b>Total charity funds</b>		<b>20,600,907</b>	<b>19,418,289</b>	<b>17,226,120</b>	<b>16,098,922</b>

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 £
<b>Cash used in operating activities:</b>		
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	<u>22,293</u>	<u>(6,523)</u>
<b>Net cash provided by / (used in) operating activities</b>	<u>151,541</u>	<u>9,690</u>
<b>Cash flows from investing activities:</b>		
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	<u>-</u>	<u>156,828</u>
<b>Net cash provided by / (used in) investing activities</b>	<u>(153,523)</u>	<u>169,106</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>(1,982)</b>	<b>178,796</b>
Cash and cash equivalents at the beginning of the year	<u>861,670</u>	<u>682,874</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>859,688</u></u>	<u><u>861,670</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 2021

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#### 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

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#### 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

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#### 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

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#### 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

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#### 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**

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#### **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 £
<b>Income from:</b>			
Donations and legacies	247,434	1,345,023	<b>1,592,457</b>
Charitable activities	-	24,261	<b>24,261</b>
Other trading activities	105,442	158,818	<b>264,260</b>
Investments	42,308	381,638	<b>423,946</b>
<b>Total income</b>	<b>395,184</b>	<b>1,909,740</b>	<b>2,304,924</b>
<b>Expenditure on:</b>			
Raising funds	-	343,626	<b>343,626</b>
Charitable activities:			
Benevolence grants	21,228	524,609	<b>545,837</b>
Esprit de corps	249,806	448,925	<b>698,731</b>
Museum	1,500	405,586	<b>407,086</b>
<b>Total expenditure</b>	<b>272,534</b>	<b>1,722,746</b>	<b>1,995,280</b>
<b>Net income before investment gains</b>	<b>122,650</b>	<b>186,994</b>	<b>309,644</b>
Net gains on investments	123,240	674,150	<b>797,390</b>
<b>Net income</b>	<b>245,890</b>	<b>861,144</b>	<b>1,107,034</b>
Transfers between funds	150,000	(150,000)	-
<b>Other recognised gains / (losses):</b>			
Gains on revaluation of heritage assets	-	(9,539)	<b>(9,539)</b>
<b>Net movement in funds</b>	<b>395,890</b>	<b>701,605</b>	<b>1,097,495</b>

# 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
<b>Total income from donations and legacies</b>	<b>418,453</b>	<b>1,469,962</b>	<b>1,888,415</b>

### 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
<b>Total income from donations and legacies</b>	<b>247,434</b>	<b>1,345,023</b>	<b>1,592,457</b>

\* 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
	<b>255,267</b>	<b>261,465</b>

## 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	<b>31,375</b>
Children's activities	-	1,895	<b>1,895</b>
Museum research	-	664	<b>664</b>
Development fund grant income	-	393	<b>393</b>
<b>Total income from charitable activities</b>	<b>-</b>	<b>34,327</b>	<b>34,327</b>

#### 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
<b>Total income from charitable activities</b>	<b>-</b>	<b>24,261</b>	<b>24,261</b>

#### 6. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £
REME trading income	-	142,761	<b>142,761</b>
Sponsorship	-	33,520	<b>33,520</b>
Other fundraising	421	18,235	<b>18,656</b>
<b>Total income from other trading activities</b>	<b>421</b>	<b>194,516</b>	<b>194,937</b>

**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
<b>Total income from other trading activities</b>	<b>105,442</b>	<b>158,818</b>	<b>264,260</b>

**7. Income from investments**

	Restricted £	Unrestricted £	<b>2021 Total £</b>
Income from listed investments	15,396	361,472	<b>376,868</b>
Property income	17,228	-	<b>17,228</b>
Bank interest	-	135	<b>135</b>
<b>Total income from investments</b>	<b>32,624</b>	<b>361,607</b>	<b>394,231</b>

**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
<b>Total income from investments</b>	<b>42,308</b>	<b>381,638</b>	<b>423,946</b>

# 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
<b>Sub-total</b>	<b>354,946</b>	<b>357,547</b>	<b>730,979</b>	<b>414,352</b>	<b>418,194</b>	<b>2,276,018</b>
Allocation of support and governance costs	79,898	80,483	164,543	93,270	(418,194)	-
<b>Total expenditure</b>	<b>434,844</b>	<b>438,030</b>	<b>895,522</b>	<b>507,622</b>	<b>-</b>	<b>2,276,018</b>

# 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
<b>Sub-total</b>	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)	-
<b>Total expenditure</b>	<b>343,626</b>	<b>545,837</b>	<b>698,731</b>	<b>407,086</b>	<b>-</b>	<b>1,995,280</b>

# 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
	<b>632,805</b>	<b>585,332</b>

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):	<b>20</b>	<b>26</b>

#### 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	<b>259,854</b>
Discretionary grants	-	77,498	<b>77,498</b>
Adventurous and enterprising activities	-	16,645	<b>16,645</b>
REME Corps Sergeants' Mess	-	14,903	<b>14,903</b>
Officers Mess	-	350	<b>350</b>
	<b>164,854</b>	<b>204,396</b>	<b>369,250</b>
<b>Prior period comparative</b>			
	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
	<b>177,198</b>	<b>318,041</b>	<b>495,239</b>

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 £
<b>Cost</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>197,500</b>	<b>367,723</b>	<b>833,724</b>	<b>1,398,947</b>
At 31 December 2020 (restated)	209,000	254,025	-	463,025

Charity	Yachts £	Furniture and equipment £	Corps items £	Total £
<b>Cost</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>197,500</b>	<b>125,378</b>	<b>833,724</b>	<b>1,156,602</b>
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)	-
<b>At 31 December 2021</b>	<b>3,098,635</b>	<b>4,105,773</b>	<b>386,151</b>	<b>1,353,060</b>

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
	£	£	£	£	£
<b>Additions:</b>					
Purchases	21,460	340	-	23,698	33,087
Donations	59,900	2,286	5,981	6,130	1,813
<b>Total additions</b>	<b>81,360</b>	<b>2,626</b>	<b>5,981</b>	<b>29,828</b>	<b>34,900</b>
<b>Disposals:</b>					
Carrying value	(184,180)	1,663	580	30	58,795
Proceeds	-	-	-	-	-
<b>Revaluations</b>	<b>68,145</b>	<b>(9,539)</b>	<b>609,667</b>	<b>-</b>	<b>19,525</b>

#### 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>
<b>At 31 December 2021</b>	<b><u>43,224</u></b>	<b><u>-</u></b>	<b><u>43,224</u></b>	<b><u>-</u></b>

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 £
<b>Blackrock Armed Forces Growth and Income Fund - unlisted</b>		
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>
<b>Sarasin Funds - all listed</b>		
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>
<b>Total investments</b>	<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
<b>Market value at 31 December 2021</b>	<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
	£	£	£	£
<b>Due within 1 year:</b>				
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>
<b>Due in more than 1 year:</b>				
Intercompany due from REME Trading	-	-	-	131,777
<b>Total debtors</b>	<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>
<b>Due in more than 1 year:</b>				
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)
<b>Net assets at 31 December 2021</b>	<b><u>3,872,400</u></b>	<b><u>3,462,125</u></b>	<b><u>13,266,382</u></b>	<b><u>20,600,907</u></b>

#### 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)
<b>Net assets at 31 December 2020</b>	<b><u>3,727,146</u></b>	<b><u>3,357,086</u></b>	<b><u>12,334,057</u></b>	<b><u>19,418,289</u></b>

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 £
<b>Restricted funds</b>						
<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	<b>1,378,834</b>
<i>Linked entities:</i>						
REME Benevolent Fund	-	127,045	(127,045)	-	-	-
HQ Officers Mess	1,672,103	89,795	(88,339)	-	-	<b>1,673,559</b>
REME Sports Association	-	90,000	(90,000)	-	-	-
REME Institution	708,657	84,235	(25,088)	(40,000)	-	<b>727,804</b>
REME Sergeants' Mess	65,771	60,423	(36,561)	-	-	<b>89,633</b>
<i>REME Museum:</i>						
British Museum Project	3,781	-	(1,211)	-	-	<b>2,570</b>
Museum Play Park Fund	18,500	-	-	-	(18,500)	-
<b>Total restricted funds</b>	<b>3,727,146</b>	<b>451,498</b>	<b>(368,915)</b>	<b>45,481</b>	<b>17,190</b>	<b>3,872,400</b>



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 £
<b>Total restricted funds</b>	3,727,146	451,498	(368,915)	45,481	17,190	<b>3,872,400</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
Museum - general	2,824,469	333,063	(333,152)	(89)	18,500	<b>2,842,791</b>
Museum - development	484,962	109,467	(126,795)	-	-	<b>467,634</b>
REME Trading	(12,345)	274,216	(200,171)	-	-	<b>61,700</b>
REME Yacht Club Hulls	60,000	-	-	-	30,000	<b>90,000</b>
<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><b>3,462,125</b></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><b>13,266,382</b></u>
<b>Total unrestricted funds</b>	<u>15,691,143</u>	<u>2,060,412</u>	<u>(1,907,103)</u>	<u>901,245</u>	<u>(17,190)</u>	<u><b>16,728,507</b></u>
<b>Total funds</b>	<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><b>20,600,907</b></u></u>

## The REME Charity

### Notes to the financial statements

#### For the year ended 31 December 2021

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#### 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

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#### 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

<b>23. Movements in funds (continued)</b>						
<b>Prior period comparative (restated)</b>	At 1 January 2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2020 £
<b>Restricted funds</b>						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	-	<b>5,000</b>
Mrs E Brewin Bequest	14,180	-	(13,509)	-	-	<b>671</b>
Aliquot Shares	1,029,423	-	-	73,240	150,000	<b>1,252,663</b>
<i>Linked entities:</i>						
REME Benevolent Fund	-	7,718	(7,718)	-	-	-
HQ Officers Mess	1,648,440	89,079	(65,416)	-	-	<b>1,672,103</b>
REME Sports Association	-	111,440	(111,440)	-	-	-
REME Institution	604,760	78,473	(24,576)	50,000	-	<b>708,657</b>
REME Sergeants' Mess	25,672	57,786	(17,687)	-	-	<b>65,771</b>
REME Publications	-	11,358	(11,358)	-	-	-
REME Association	-	19,330	(19,330)	-	-	-
<i>REME Museum:</i>						
British Museum Project	3,781	-	-	-	-	<b>3,781</b>
Other restricted funds	-	20,000	(1,500)	-	-	<b>18,500</b>
<b>Total restricted funds</b>	<b>3,331,256</b>	<b>395,184</b>	<b>(272,534)</b>	<b>123,240</b>	<b>150,000</b>	<b>3,727,146</b>

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 £
<b>Total restricted funds</b>	3,331,256	395,184	(272,534)	123,240	150,000	<b>3,727,146</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
Museum - general	2,836,066	311,050	(322,481)	(166)	-	<b>2,824,469</b>
Museum - development	466,910	104,302	(86,250)	-	-	<b>484,962</b>
REME Trading	(4,609)	142,045	(161,241)	-	11,460	<b>(12,345)</b>
REME Yacht Club Hulls	40,000	-	-	-	20,000	<b>60,000</b>
<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><b>3,357,086</b></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><b>12,334,057</b></u>
<b>Total unrestricted funds</b>	<u>14,989,538</u>	<u>1,909,740</u>	<u>(1,722,746)</u>	<u>664,611</u>	<u>(150,000)</u>	<u><b>15,691,143</b></u>
<b>Total funds</b>	<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><b>19,418,289</b></u></u>

## The REME Charity

### Notes to the financial statements

For the year ended 31 December 2021

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#### 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**

	<b>2021</b>	2020
	£	£
Gross income	<b>442,619</b>	435,352
Expenditure	<b>(461,158)</b>	(410,232)
<b>Results for the year (excluding gains / losses)</b>	<b><u>(18,539)</u></b>	<u>25,120</u>

**Net assets**

	<b>2021</b>	2020
	£	£
Assets	<b>3,323,541</b>	3,339,728
Liabilities	<b>(10,456)</b>	(8,015)
<b>Total museum funds</b>	<b><u>3,313,085</u></b>	<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**

	<b>2021</b>	2020
	£	£
Turnover	<b>174,310</b>	165,006
Cost of sales	<b>(140,985)</b>	(105,310)
Gross profit	<b>33,325</b>	59,696
Other operating income	<b>99,906</b>	-
Administrative expenses	<b>(59,186)</b>	(67,432)
Operating profit / (loss)	<b>74,045</b>	(7,736)
Tax on profit / (loss)	<u>-</u>	<u>-</u>
Profit for financial year	<b><u>74,045</u></b>	<u>(7,736)</u>

## The REME Charity

### Notes to the financial statements

#### For the year ended 31 December 2021

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##### 27. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2021 £	2020 £
Assets	66,741	123,749
Liabilities	<u>(5,041)</u>	<u>(136,094)</u>
<b>Total reserves</b>	<b><u>61,700</u></b>	<b><u>(12,345)</u></b>

##### 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)	<b><u>180,382</u></b>	<b><u>292,262</u></b>