

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2022



The REME Charity

Reference and administrative details

For the year ended 31 December 2022

Company number 10036700

Charity number 1165868

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

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

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

Chief executive officer and company secretary Mrs Barbel Harris

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

Sparkasse
Berliner Sparkasse
Alexanderplatz 2
10178 Berlin

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

The REME Charity

Reference and administrative details

For the year ended 31 December 2022

Investment advisor and nominee company	Sarasin and Partners LLP Juxton House 100 St Paul's Churchyard London EC4M 8BU	BlackRock (for the AFCIF holding) 33 King William Street London EC4R 9AS
---	--	---

Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
-----------------	---

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

The Trustees present their report along with the financial statements of the charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

Recruitment and appointment of Trustees

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

Organisational structure and governance

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

Risk management

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

OBJECTS AND ACTIVITIES

Public benefit

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

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

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

Objectives

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

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

STRATEGY

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

2022 charitable objectives, themes and activities

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

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

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

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

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

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

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

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

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

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Income generation

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

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

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

At 31 December 2022 they reported:

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

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

FINANCIAL REVIEW

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

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

Income

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

Expenditure

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

Reserves policy

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

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

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

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

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

Financial position

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

Dependency on donors

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

Fundraising practices

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

PLANS FOR FUTURE PERIODS

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

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

The Board rearticulated the Charity's vision:

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

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

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

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

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

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

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

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The REME Charity

Report of the Trustees

For the year ended 31 December 2022

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

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

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

In so far as the Trustees are aware:

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

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

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

Auditors

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

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

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The REME Charity

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

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

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

Independent auditors' report

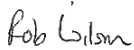
To the members of

The REME Charity

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 4 May 2023

Rob Wilson FCA

(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The REME Charity

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

For the year ended 31 December 2022

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

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

The REME Charity

Consolidated balance sheets

As at 31 December 2022

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

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

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

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2022

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

Analysis of changes in net debt

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

a) Basis of preparation

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

The REME Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes for investments (notes m, n, o) and heritage assets (note l).

b) Group accounts

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

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

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

c) Going concern basis of accounting

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

d) Income

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

f) Interest receivable

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

g) Funds accounting

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

h) Expenditure and irrecoverable VAT

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

i) Allocation of support and governance costs

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

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

j) Grants payable

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

k) Tangible fixed assets

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

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

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

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

l) Heritage assets

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

l) Heritage assets (continued)

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

The assets are generally valued at 50% of insurance value. The heritage assets were not revalued in 2022 but during the year ended 31 December 2021 all artworks and silverware was revalued by Madley Associates, fellows of the National Association of Valuers and Auctioneers.

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

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

m) Mixed motive investments

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

n) Investment property

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

o) Fixed asset investments

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

p) Stock

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

q) Debtors

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

r) Cash at bank and in hand

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

s) Creditors

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

t) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

u) Pension costs

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

v) Foreign currency transactions

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

w) Accounting estimates and key judgements

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

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

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

Depreciation

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

Revaluations

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

w) Accounting estimates and key judgements (continued)

Derecognition of assets

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

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

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations and legacies	418,453	1,469,962	1,888,415
Charitable activities	-	34,327	34,327
Other trading activities	421	194,516	194,937
Investments	32,624	361,607	394,231
Total income	451,498	2,060,412	2,511,910
Expenditure on:			
Raising funds	12,307	422,537	434,844
Charitable activities:			
Benevolence grants	135,391	302,639	438,030
Esprit de corps	210,335	685,187	895,522
Museum	10,882	496,740	507,622
Total expenditure	368,915	1,907,103	2,276,018
Net income before investment gains	82,583	153,309	235,892
Net gains on investments	45,481	833,100	878,581
Net income	128,064	986,409	1,114,473
Transfers between funds	17,190	(17,190)	-
Other recognised gains / (losses):			
Gains on revaluation of heritage assets	-	68,145	68,145
Net movement in funds	145,254	1,037,364	1,182,618

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

3. Income from donations and legacies

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

Prior period comparative

	Restricted £	Unrestricted £	2021 Total £
Subscriptions - retired officers	13,580	20,370	33,950
Subscriptions - serving officers	125,947	125,947	251,894
Subscriptions - museum (gold card)	-	97,487	97,487
Subscriptions - other ranks	59,748	569,644	629,392
Sports association grants	50,000	-	50,000
MOD grant in aid	-	178,374	178,374
Other donations	45,937	63,617	109,554
Donated heritage assets	-	60,050	60,050
Legacies	123,241	-	123,241
Donated investment management services	-	99,206	99,206
Donated services and facilities *	-	255,267	255,267
Total income from donations and legacies	418,453	1,469,962	1,888,415

* Donated services and facilities consists of:

	2022 £	2021 £
Donated staff time	189,428	202,458
Donated facilities - office premises, equipment and utilities	29,202	52,809
	218,630	255,267

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

4. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence (and in 2021 from the Coronavirus Job Retention Scheme) to fund charitable activities. The total value of such grants in the period ending 31 December 2022 was £181,754 (2021: £185,668). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

5. Income from charitable activities

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

Prior period comparative

	Restricted £	Unrestricted £	2021 Total £
Museum admission	-	31,375	31,375
Children's activities	-	1,895	1,895
Museum research	-	664	664
Development fund grant income	-	393	393
Total income from charitable activities	-	34,327	34,327

6. Income from other trading activities

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

6. Income from other trading activities (continued)

Prior period comparative:

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

7. Income from investments

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

Prior period comparative:

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

8. Total expenditure

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

8. Total expenditure - prior period comparative

	Raising funds £	Charitable activities: grants £	Charitable activities: esprit de corps £	Charitable activities: museum £	Support and governance costs £	2021 Total Restated £
REME Museum	-	-	-	27,669	748	28,417
REME Institution (Officers' club)	-	-	7,909	-	3,618	11,527
REME Trading	140,985	-	-	-	-	140,985
Officers Mess functions and costs	-	-	60,386	-	-	60,386
Grants payable (note 12)	-	267,036	360,585	-	-	627,621
Association events and costs	-	-	18,184	-	-	18,184
REME Corps Sergeants' Mess	-	-	21,658	-	-	21,658
Office expenses	-	-	135	-	78,672	78,807
Repairs and maintenance	-	-	-	-	3,960	3,960
Depreciation	-	-	-	52,059	43,043	95,102
Loss on disposal of assets	-	-	-	42,510	141,670	184,180
Corps recruiting	-	-	37,547	-	-	37,547
Fundraising and investment property costs	40,830	-	-	-	-	40,830
Publication costs	-	-	106,568	-	-	106,568
Staff costs (note 10)	104,926	90,511	118,007	292,114	27,247	632,805
Insurance	-	-	-	-	6,428	6,428
Trustee expenses	-	-	-	-	772	772
Donated facilities	-	-	-	-	52,809	52,809
Investment manager fees	68,205	-	-	-	-	68,205
Legal and professional	-	-	-	-	59,227	59,227
Sub-total	354,946	357,547	730,979	414,352	418,194	2,276,018
Allocation of support and governance costs	79,898	80,483	164,543	93,270	(418,194)	-
Total expenditure	434,844	438,030	895,522	507,622	-	2,276,018

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

9. Net movement in funds

This is stated after charging:

	2022 £	2021 £
Depreciation	68,626	95,102
Loss on disposal of assets	1,028,004	184,180
Operating lease payments	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	2,286	772
Auditors' remuneration:		
▪ Statutory audit (including VAT)	19,548	18,060
▪ Consultancy (including VAT)	5,928	1,920

Trustees' reimbursed expenses comprise travel, subsistence and accommodation costs relating to 3 trustees (2021: 4 trustees).

Total governance costs were £21,834 (2021: £18,831).

10. Staff costs and numbers

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	472,115	372,901
Social security costs	34,844	23,077
Pension costs	24,137	8,761
Donated salaries	189,428	202,459
Freelance staff	17,095	25,607
	737,619	632,805

One employee earned more than £60,000 during the year (2021: no employees).

The key management personnel of the charitable company comprise the CEO and Museum Director (2021: CEO, Operations Manager, Museum Director and Corps Secretary). The total employee benefits of the key management personnel paid by the charity and recognised as a gift in kind were £113,335 and £nil respectively (2021: £80,763 and £28,905).

	2022 No.	2021 No.
Average number of employees (head count):	23	20

11. Taxation

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

12. Grants payable

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

Prior period comparative

	Individuals £	Institutions £	Restated Total 2021 £
Benevolence	164,854	95,000	259,854
REME Sports	-	258,371	258,371
Discretionary grants	-	77,498	77,498
Lyneham funding (D12)	-	16,645	16,645
Adventurous and enterprising activities	-	14,903	14,903
REME Corps Sergeants' Mess	-	350	350
	164,854	462,767	627,621

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

The trustees consider all grants paid to institutions over £25,000, which require trustee board approval, to be material in the context of the accounts. The total amount of grants paid over this amount in 2022 was 1, to the Army Benevolent Fund for £85,000 (2021: 1, for £85,000, to the Army Benevolent Fund). There were no other committed grants at 31 December 2022. No support costs have been allocated to the grants disclosed above although staff costs are allocated to general grant making activities per note 8 to the accounts.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

13. Tangible fixed assets

Group	Yachts £	Furniture and equipment £	Corps items £	Total £
Cost				
At 1 January 2022	280,000	1,133,259	833,724	2,246,983
Additions in year	-	198,930	-	198,930
Disposals	-	(367,604)	(153,583)	(521,187)
At 31 December 2022	<u>280,000</u>	<u>964,585</u>	<u>680,141</u>	<u>1,924,726</u>
Depreciation				
At 1 January 2022	82,500	765,536	-	848,036
Charge for the year	9,500	59,126	-	68,626
Disposals	-	(308,741)	-	(308,741)
At 31 December 2022	<u>92,000</u>	<u>515,921</u>	<u>-</u>	<u>607,921</u>
Net book value				
At 31 December 2022	<u>188,000</u>	<u>448,664</u>	<u>680,141</u>	<u>1,316,805</u>
At 31 December 2021	<u>197,500</u>	<u>367,723</u>	<u>833,724</u>	<u>1,398,947</u>
		Furniture and equipment	Corps items	Total
Charity	Yachts £	£	£	£
Cost				
At 1 January 2022	280,000	192,498	833,724	1,306,222
Additions in year	-	10,464	-	10,464
Disposals	-	(34,545)	(153,583)	(188,128)
At 31 December 2022	<u>280,000</u>	<u>168,417</u>	<u>680,141</u>	<u>1,128,558</u>
Depreciation				
At 1 January 2022	82,500	67,120	-	149,620
Charge for the year	9,500	12,810	-	22,310
Disposals	-	(5,614)	-	(5,614)
At 31 December 2022	<u>92,000</u>	<u>74,316</u>	<u>-</u>	<u>166,316</u>
Net book value				
At 31 December 2022	<u>188,000</u>	<u>94,101</u>	<u>680,141</u>	<u>962,242</u>
At 31 December 2021	<u>197,500</u>	<u>125,378</u>	<u>833,724</u>	<u>1,156,602</u>

During the year, the REME Charity, the REME Museum and REME Trading de-recognised tangible fixed assets with a cost less than £2,000. This has resulted in an extraordinary disposal of tangible fixed assets during the year ended 31 December 2022. This is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

14. Heritage assets

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	3,098,635	4,105,773	386,151	1,353,060
Additions	57,000	81,360	24,000	78,990
Disposals	(815,558)	(184,180)	(61,550)	(141,670)
Revaluations	-	68,145	-	68,234
Reclassification to tangible fixed assets	-	(929,239)	-	(929,239)
Reclassification to mixed motive investment	-	(43,224)	-	(43,224)
At 31 December 2022	<u>2,340,077</u>	<u>3,098,635</u>	<u>348,601</u>	<u>386,151</u>

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

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

Five year summary of heritage asset transactions:

	2022	2021	2020	2019	2018
	£	£	£	£	£
Additions:					
Purchases	24,000	21,460	340	-	23,698
Donations	33,000	59,900	2,286	5,981	6,130
Total additions	<u>57,000</u>	<u>81,360</u>	<u>2,626</u>	<u>5,981</u>	<u>29,828</u>
Disposals:					
Carrying value	(815,558)	(184,180)	1,663	580	30
Proceeds	-	-	-	-	-
Revaluations	<u>-</u>	<u>68,145</u>	<u>(9,539)</u>	<u>609,667</u>	<u>-</u>

The REME Charity heritage assets

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

14. Heritage assets (continued)

The REME Charity heritage assets (continued)

Further detail on the recognition and valuation of these assets is given in notes 1 (k) and (l).

The REME Museum heritage assets

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

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

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

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

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

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

15. Mixed motive investments

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	43,224	-	43,224	-
Reclassification from heritage assets	-	43,224	-	43,224
At 31 December 2022	43,224	43,224	43,224	43,224

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

15. Mixed motive investments (continued)

Mixed motive investments represent the charity's collection of fine art, held by the charity primarily to contribute to the esprit de corps activities of the messes, but which is also held for its potential investment growth. Historically, the paintings were included within heritage assets but were reclassified in 2021 to better reflect the nature of the asset. The fine art collection is held at fair value and will be revalued every 5 years.

16. Fixed asset investments

	2022 £	2021 £
Blackrock Armed Forces Growth and Income Fund - unlisted		
Market value at 1 January 2022	304,973	278,210
Unrealised gains / (losses)	<u>(42,536)</u>	<u>26,763</u>
As at 31 December 2022	<u><u>262,437</u></u>	<u><u>304,973</u></u>
Sarasin Funds - all listed		
Market value at 1 January 2022	14,206,994	12,890,667
Additions	986,669	424,509
Disposals	(586,669)	-
Realised gains / (losses)	(63,331)	-
Unrealised gains / (losses)	<u>(1,742,913)</u>	<u>891,818</u>
As at 31 December 2022	<u><u>12,800,750</u></u>	<u><u>14,206,994</u></u>
Total investments	<u><u>13,063,187</u></u>	<u><u>14,511,967</u></u>

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

	2022 %	2021 %	Market value 2022 £	2021 £
REME Benevolent Fund	0.3445%	0.3553%	44,098	51,171
REME HQ Officers Mess	3.6536%	3.7680%	467,697	542,693
REME Association	2.9243%	3.0159%	374,341	434,368
REME Museum	2.3717%	2.4459%	303,594	350,602
REME Institution	3.0350%	0.0000%	<u>388,506</u>	<u>-</u>
			<u><u>1,578,236</u></u>	<u><u>1,378,834</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

17. Investment property

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

	2022 £	2021 £
Market value at 1 January 2022	460,000	500,000
Revaluation gains	-	(40,000)
Disposal proceeds	(506,246)	-
Realised gain	46,246	-
Market value at 31 December 2022	-	460,000

18. Stock

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
REME Trading stock for resale	63,737	46,696	-	-
Finished goods including wine for resale	150,978	145,042	150,978	145,042
	214,715	191,738	150,978	145,042

19. Debtors

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
Due within 1 year:				
Trade debtors	3,505	2,109	2,090	1,680
Prepayments and accrued income	159,194	143,170	94,752	89,643
Donation from REME Trading	-	-	34,050	-
Other debtors	1,387	3,352	1,387	3,352
Total debtors	164,086	148,631	132,279	94,675

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

20. Creditors : amounts due within 1 year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	36,545	46,782	36,545	43,962
Social security and other taxes	31,571	13,782	24,109	10,138
Accruals	15,584	25,436	17,793	16,300
Other creditors	30,500	18,374	16,207	18,477
Deferred income	2,087	4,525	2,087	4,525
Funds received as an agent	30,064	-	30,064	-
Intercompany due to REME Museum	-	-	167,382	187,686
	<u>146,351</u>	<u>108,899</u>	<u>294,187</u>	<u>281,088</u>
Due in more than 1 year:				
Other creditors	<u>13,104</u>	<u>3,024</u>	<u>13,104</u>	<u>3,024</u>

21. Deferred income

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	4,525	1,727	4,525	1,727
Deferred during the year	2,087	4,525	2,087	4,525
Released during the year	<u>(4,525)</u>	<u>(1,727)</u>	<u>(4,525)</u>	<u>(1,727)</u>
At 31 December 2022	<u>2,087</u>	<u>4,525</u>	<u>2,087</u>	<u>4,525</u>

Deferred income relates to prepaid advertising income for publications not yet published as at 31 December 2022.

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

22. Funds received as an agent

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

	Funds held at 1 January 2022 £	Funds received £	Funds paid £	Funds held at 31 December 2022 £
REME sports	-	167,661	(159,776)	7,885
REME Institution	-	64,766	(63,659)	1,107
REME Officers' Mess	-	24,484	(22,432)	2,052
REME Sergeants' Mess	-	3,650	(2,450)	1,200
Other organisations	-	45,117	(27,297)	17,820
At 31 December 2022	-	305,678	(275,614)	30,064

23. Analysis of group net assets between funds

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

23. Analysis of group net assets between funds (continued)

Prior year comparative

	Restricted funds £	Designated funds £	General funds £	Restated total funds £
Tangible fixed assets	748,938	239,880	410,129	1,398,947
Heritage assets	386,151	2,712,484	-	3,098,635
Mixed motive investments	43,224	-	-	43,224
Fixed asset investments	1,378,834	-	13,133,133	14,511,967
Investment property	460,000	-	-	460,000
Current assets	855,253	509,761	(164,957)	1,200,057
Current liabilities	-	-	(108,899)	(108,899)
Creditors due after more than 1 year	-	-	(3,024)	(3,024)
Net assets at 31 December 2021	3,872,400	3,462,125	13,266,382	20,600,907

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued)

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued)

Purposes of restricted funds

Aliquot Shares

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

REME Connect: Afghanistan

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

Linked entities

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

British Museum Project

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

Museum - general

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

Museum - development

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

REME Trading

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

REME Yacht Club Hulls

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

24. Movements in funds (continued)

Prior period comparative

	At 1 January 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2021 £
Restricted funds						
<i>CCT:</i>						
Rory Cape Award Prize	5,000	-	-	-	(5,000)	-
Mrs E Brewin Bequest	671	-	(671)	-	-	-
Aliquot Shares	1,252,663	-	-	85,481	40,690	1,378,834
<i>Linked entities:</i>						
REME Benevolent Fund	-	127,045	(127,045)	-	-	-
HQ Officers Mess	1,672,103	89,795	(88,339)	-	-	1,673,559
REME Sports Association	-	90,000	(90,000)	-	-	-
REME Institution	708,657	84,235	(25,088)	(40,000)	-	727,804
REME Sergeants' Mess	65,771	60,423	(36,561)	-	-	89,633
<i>REME Museum:</i>						
British Museum Project	3,781	-	(1,211)	-	-	2,570
Museum Play Park Fund	18,500	-	-	-	(18,500)	-
Total restricted funds	3,727,146	451,498	(368,915)	45,481	17,190	3,872,400

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

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

	At 1 January 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2021 £
Total restricted funds	3,727,146	451,498	(368,915)	45,481	17,190	3,872,400
Unrestricted funds						
<i>Designated funds:</i>						
Museum - general	2,824,469	333,063	(333,152)	(89)	18,500	2,842,791
Museum - development	484,962	109,467	(126,795)	-	-	467,634
REME Trading	(12,345)	274,216	(200,171)	-	-	61,700
REME Yacht Club Hulls	60,000	-	-	-	30,000	90,000
<i>Total designated funds</i>	<u>3,357,086</u>	<u>716,746</u>	<u>(660,118)</u>	<u>(89)</u>	<u>48,500</u>	<u>3,462,125</u>
General funds	<u>12,334,057</u>	<u>1,343,666</u>	<u>(1,246,985)</u>	<u>901,334</u>	<u>(65,690)</u>	<u>13,266,382</u>
Total unrestricted funds	<u>15,691,143</u>	<u>2,060,412</u>	<u>(1,907,103)</u>	<u>901,245</u>	<u>(17,190)</u>	<u>16,728,507</u>
Total funds	<u><u>19,418,289</u></u>	<u><u>2,511,910</u></u>	<u><u>(2,276,018)</u></u>	<u><u>946,726</u></u>	<u><u>-</u></u>	<u><u>20,600,907</u></u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

25. Financial instruments at fair value

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Financial assets measured at fair value	<u>13,063,187</u>	<u>14,511,967</u>	<u>13,063,187</u>	<u>14,511,967</u>

Financial assets measured at fair value comprise fixed asset investments.

26. Operating lease commitments

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

27. Related party transactions

The REME Charity is the sole corporate trustee and parent charity of the Corps of Royal Electrical and Mechanical Engineers Museum (charity registration no. 272740). During the year the REME Charity paid donations totalling £67,612 (2021: £60,566) to the REME Museum. The REME Charity operates payroll and manages transactions on behalf of the Museum. At the year end £167,382 was due to the REME Museum (2021: £187,686).

The REME Charity also has control of the REME Trading Company Limited (company registration no. 10258502). The Operations Manager and one of the trustees of the REME Charity make up the board of directors of the REME Trading Company. Amounts owed to the REME Charity at 31 December 2022 were £34,050 (2021: £nil). The REME Trading Company donated £51,350 (2021: £nil) and made sales of goods from the shop totalling £39,606 (2021: £31,549) to the REME Charity during the year.

28. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

28. Subsidiary undertakings (continued)

Results for the period

	2022	2021
	£	£
Gross income	536,058	442,619
Expenditure	(1,208,930)	(461,158)
Results for the year (excluding gains / losses)	<u>(672,872)</u>	<u>(18,539)</u>

Net assets

	2022	2021
	£	£
Assets	2,649,279	3,323,541
Liabilities	(9,066)	(10,456)
Total museum funds	<u>2,640,213</u>	<u>3,313,085</u>

The REME Trading Company Limited

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

Results for the period

	2022	2021
	£	£
Turnover	212,046	174,310
Cost of sales	(113,538)	(140,985)
Gross profit	98,508	33,325
Other operating income	-	99,906
Administrative expenses	(67,198)	(59,186)
Operating profit / (loss)	31,310	74,045
Tax on profit / (loss)	-	-
Profit for financial year	<u>31,310</u>	<u>74,045</u>

The REME Charity

Notes to the financial statements

For the year ended 31 December 2022

28. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2022 £	2021 £
Assets	85,556	66,741
Liabilities	<u>(44,593)</u>	<u>(5,041)</u>
Total reserves	<u>40,963</u>	<u>61,700</u>

29. Parent charity

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

	2022 £	2021 £
Gross income	1,887,254	1,982,093
Surplus/ (deficit) for the year (excluding gains / losses)	<u>(239,887)</u>	<u>180,382</u>