

Company no. 10036700
Charity no. 1165868

The REME Charity
Report and Audited Financial Statements
31 December 2023



The REME Charity

Reference and administrative details

For the year ended 31 December 2023

Company number 10036700

Charity number 1165868

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

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

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

Chief executive officer and company secretary Mrs Barbel Harris

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

Sparkasse
Berliner Sparkasse
Alexanderplatz 2
10178 Berlin

The REME Charity

Reference and administrative details

For the year ended 31 December 2023

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2016, the Companies Act 2006, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

Recruitment and appointment of Trustees

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

Organisational structure and governance

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

Risk management

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

OBJECTS AND ACTIVITIES

Public benefit

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

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

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

Objectives

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

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

STRATEGY

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

2023 charitable objectives, themes and activities

Welfare

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

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

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

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

Esprit de Corps

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

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

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

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Income generation

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

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

At 31 December 2023 they reported:

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

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

FINANCIAL REVIEW

Income

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

Expenditure

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

Reserves policy

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

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

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

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

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

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

Funds in deficit

The Charity has no deficits.

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

Financial position

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

Dependency on donors

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

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

Funds held as custodian trustee

No funds are held as custodian trustee.

Fundraising practices

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

PLANS FOR FUTURE PERIODS

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

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

The Charity's vision:

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

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

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

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

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

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

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

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

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

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

In so far as the Trustees are aware:

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

The REME Charity

Report of the Trustees

For the year ended 31 December 2023

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

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

Auditors

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

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

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

Independent auditors' report

To the members of

The REME Charity

Opinion

We have audited the financial statements of The REME Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditors' report

To the members of

The REME Charity

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

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

Independent auditors' report

To the members of

The REME Charity

Our responsibilities for the audit of the financial statements

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

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

Independent auditors' report

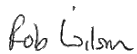
To the members of

The REME Charity

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

Use of our report

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



Date: 23 May 2024

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

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

The REME Charity

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

For the year ended 31 December 2023

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

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

The REME Charity

Consolidated balance sheets

As at 31 December 2023

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

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

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

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

The REME Charity

Consolidated statement of cash flows

For the year ended 31 December 2023

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

Analysis of changes in net debt

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies

a) Basis of preparation

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

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

b) Group accounts

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

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

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

c) Going concern basis of accounting

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

d) Income

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

f) Interest receivable

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

g) Funds accounting

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

h) Expenditure and irrecoverable VAT

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

i) Allocation of support and governance costs

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

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

j) Grants payable

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

k) Tangible fixed assets

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

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

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

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

l) Heritage assets

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

l) Heritage assets (continued)

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

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

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

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

m) Mixed motive investments

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

n) Investment property

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

o) Fixed asset investments

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

p) Stock

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

q) Debtors

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

r) Cash at bank and in hand

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

s) Creditors

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

t) Financial instruments

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

u) Pension costs

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

v) Foreign currency transactions

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

w) Accounting estimates and key judgements

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

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

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

Depreciation

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

Revaluations

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

w) Accounting estimates and key judgements (continued)

Derecognition of assets

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

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

2. Prior period comparatives: statement of financial activities

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

3. Income from donations and legacies

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

Prior period comparative

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

* Donated services and facilities consists of:

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

4. Government grants

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

5. Income from charitable activities

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

Prior period comparative

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

6. Income from other trading activities

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

6. Income from other trading activities (continued)

Prior period comparative:

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

7. Income from investments

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

Prior period comparative:

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

8. Total expenditure

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

8. Total expenditure - prior period comparative

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

9. Net movement in funds

This is stated after charging:

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

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

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

10. Staff costs and numbers

Staff costs were as follows:

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

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

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

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

11. Taxation

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

12. Grants payable

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

Prior period comparative

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

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

13. Tangible fixed assets

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

14. Heritage assets

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

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

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

Five year summary of heritage asset transactions:

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

The REME Charity heritage assets

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

14. Heritage assets (continued)

The REME Charity heritage assets (continued)

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

The REME Museum heritage assets

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

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

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

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

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

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

15. Mixed motive investments

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

15. Mixed motive investments (continued)

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

16. Fixed asset investments (group and charity)

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

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

17. Investment property

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

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

18. Stock

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

19. Debtors

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

20. Creditors : amounts due within 1 year

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

21. Funds held as an agent

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

22. Analysis of group net assets between funds

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

Prior year comparative

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	601,425	354,563	360,817	1,316,805
Heritage assets	348,601	1,991,476	-	2,340,077
Mixed motive investments	43,224	-	-	43,224
Fixed asset investments	1,595,310	-	11,467,877	13,063,187
Investment property	-	-	-	-
Current assets	1,594,329	378,158	(711,870)	1,260,617
Current liabilities	-	-	(146,351)	(146,351)
Creditors due after more than 1 year	-	-	(13,104)	(13,104)
Net assets at 31 December 2022	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 2023

23. Movements in funds

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued)

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

Transfers between funds

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued)

Purposes of restricted funds

Aliquot Shares

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

REME Connect: Afghanistan

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

Linked entities

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

British Museum Project

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

Museum - general

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

Museum - development

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

REME Trading

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

REME Yacht Club Hulls

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

23. Movements in funds (continued)

Prior period comparative

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

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

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

24. Financial instruments at fair value

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

Financial assets measured at fair value comprise fixed asset investments.

25. Operating lease commitments

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

26. Capital commitments

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

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

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

27. Related party transactions

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

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

28. Subsidiary undertakings

The Corps of Royal Electrical and Mechanical Engineers Museum

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

The REME Charity

Notes to the financial statements

For the year ended 31 December 2023

28. Subsidiary undertakings (continued)

Results for the period

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

Net assets

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

The REME Trading Company Limited

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

Results for the period

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

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Notes to the financial statements

For the year ended 31 December 2023

28. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

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

29. Parent charity

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

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