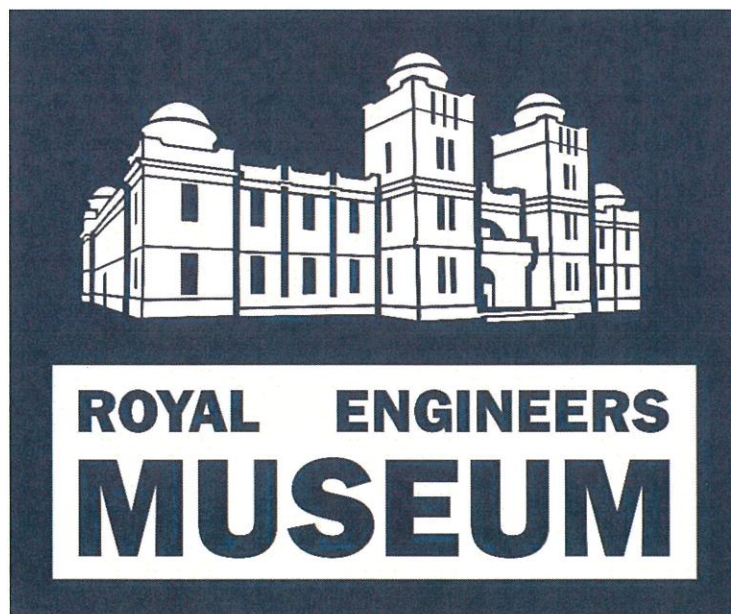


Charity Number: 1211021

The Royal Engineers Museum CIO
Trustees' report and financial statements
For the year ended 31 December 2025



Contents

	Page
Annual Review	
Objectives and Activities	3
Achievements and Performance	4
Financial Review	8
Plans for the Future	11
Structure, Governance and Management	12
References and Administration Details	15-16
Auditor's Report	17-21
Financial Statements	
Statement of Financial Activities	22
Balance Sheet	23
Statement of cash flows	24
Notes to the financial statements	25-47

The Trustees are pleased to present their annual report and the audited financial statements of the charity for the year ended 31 December 2025. The financial statements comply with the Charities Act 2011 and the Charities SORP FRS 102. Trustees judge that in preparing these financial statements they have considered all information that could be reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate and there are no material uncertainties.

Objectives and Activities

The Royal Engineers Museum CIO (REM) charitable objects are:

To collect, preserve and present accessibly the military and civil work, deeds and history of the Corps of Royal Engineers and to educate and promote scholarship therein for members of the Corps, the wider armed forces and the general public and, thereby, to contribute positively to the proficiency, reputation and efficiency of the Corps, the recruitment and inspiration of its members and the benefit of the public.

Established in 2025, evolving from the Royal Engineers Museum Trust (Charity No. 295173 now closed), our principal activities include:

- Stewardship and development of the historic Designated Collection of the Corps of Royal Engineers which is owned by the Institution of Royal Engineers (Charity No.249882) and managed under the terms of a perpetual Loan Agreement.
- Use of this Collection to explore the history of British Military Engineering and those who serve in the Corps of Royal Engineers. Through our interpretation and exhibition of the historic collection, research and learning services, community outreach and online activity we provide an educational experience for all users.
- Operation as a public heritage attraction in a Grade II Listed Building, providing a fun and accessible day out for visitors; offering a mix of paid-for and free entrance options, special events and group visits alongside venue hire and other fundraising activities.
- Provision of a venue for community engagement and skills building opportunities. This includes a volunteer programme that, in 2025, saw 62 individuals including 10 university and 4 work experience placements learn about and contribute to the running of the Museum. Giving the equivalent of 2.5 full time staff this voluntary support is critical to the cataloguing, digitisation and conservation of the historic collection.

Trustees comply with the duty described in section 17 of the Charities Act 2011 and the Charity's Commission general guidance on **Public Benefit**. By providing accessible museum services for public enjoyment and education the Museum delivers a proven public benefit, advancing education, heritage and culture and promoting the efficiency of the armed forces of the Crown.

Achievements and Performance

A new CIO and strategy

On the 20th November 2024 the new Royal Engineers Museum CIO was registered in the UK register of charities by the Charity Commission.

REM Trustees spent much of 2025 working with the Executive and wider Museum team to evaluate the current operations and identifying the future requirements needed for it to continue to flourish and deliver increasingly meaningful experiences to a growing modern audience. A new Strategy 2025-2035 sets out a broad rationale and direction which will increase our effectiveness in creating meaning and value for the public, Corps and other stakeholders as well as ensuring the long-term future as an exemplary professional institution.

The Strategy will be achieved through four goals and over the next ten years we will work to ensure that we deliver:

- A National Collection that Inspires and endures
- Wider public Engaged, Connected and Educated.
- A Strengthened and deepened Corps Relationship.
- A Secure and Sustainable Future.

The first act taken towards the transformation of the REM was the reconstitution of the position of Head Curator. Taking the lead on co-ordinating professional curatorial practice, this post is critical in the realisation of our Vision, shaping our use of the internationally significant Collection to *inspire innovation and courage through the story of the Royal Engineers, deepening understanding of how military engineering continue to shape our world and safeguarding this shared heritage for future generations.*

War Winning Engineering

Across 2024–2026 the War Winning Engineering (WWE) project has become the REM's major development focus. A £250,000 grant from the National Lottery Heritage Fund (NLFH) has enabled a project that not only ensures the long-term preservation of and access to a nationally significant collection of World War Two engineering drawings but it has also given REM scope to experiment, test and work with new partners on both our creative and curatorial practice as well as environmental policy. Conservation of the

Mulberry Harbour plans continues off-site, with one original model roadway undergoing specialist treatment. Our original Mulberry Harbour Kite Anchor was conserved on site and staff and volunteers have received practical training to undertake simple cleaning and repairs in-house.

Digitisation is progressing well with volunteers trained to support the ingestion of 1000s of digitised images of the drawings into the Museum's systems. Tragically, in October 2025, 1,700 of the drawings (41%) were stolen whilst out of the Museum for digitisation. A police investigation (Crime Reference CR/0489211/25) was unable to find the perpetrators of the crime. REM and the NLHF are content that the primary aims and outcomes of the project remain unchanged by this loss.

Content development for a new WWE online exhibition is underway through collaboration between curatorial and engagement teams. Working with the Royal School of Military Engineer Livens Suit we have trialled both 3D modelling and printing, enhancing both physical and remote user engagement with the Collection.

The WWE exhibition was opened in June and constitutes the most ambitious temporary exhibition developed at the Museum. We explore the engineering solutions that made the operation successful through digitised drawings, photography, objects, first hand testimony, accessible comparators and interactives. Feedback on these new interpretative techniques has been extremely positive and evaluation will be used to inform future developments.

VE and VJ Day 80th Anniversary Commemorations

The REM was proud to be amongst Medway Council's designated key sites for the national commemoration 80th anniversary of Victory in Europe. The Museum delivered a full programme of events that engaged a wide and diverse audience. The day began with a Flag-Raising Ceremony attended by around 100 guests, including the Mayor, the Deputy Lieutenant of Kent, and the High Sheriff. In the afternoon, the Museum hosted a large Community Street Party for more than 200 children from Brompton Westbrook Primary School and their families, offering stalls, learning activities, and free Museum entry. The programme concluded with a celebratory event for 50 guests marking the unveiling of the newly refurbished Bailey Bridge.

The combined impact of these events resulted in one of the busiest day in the Museum's history, welcoming 762 visitors.

Growing our Audiences

The Museum began 2025 with a challenging first quarter, recording just over 3,500 visitors, 29% below last year. However, performance rebounded strongly from May onwards, driven by the exceptional success of the VE80 commemorations.

Momentum increased further in Quarters 2 and 3, during which the Museum broke its daily attendance record twice—including an unprecedented 2,014 visitors for the Medway Culture Club's 5th Annual Carnival in August. Additional highlights included a

The Royal Engineers Museum CIO
Trustees Report
For the year ended 31 December 2025

93% Visit England assessment rating, nomination for the Gold Accolade, and the well-received RECOgnise event delivered with the Medway African and Caribbean Association, for which the Museum will receive a Diversity Award.

By early September, sustained strong performance brought our best year ever, hosting 25,135 visits.

The Museum's social media presence combines promotion of services and our work with tales from the fascinating history of the Corps. Our following has grown significantly, rising from 12,985 in 2019 to 23,513 in 2025, an 81% increase across platforms including Facebook, Instagram, TikTok, YouTube, and X. Facebook remains the strongest channel, generating the highest engagement and the top post of 2025, while Instagram and TikTok continue to develop with strong photographic and short-form content performance. Total viewership for 2025 was 3.7million, a 211% increase from 2024.

Engagement (Exhibitions & Outreach)

Throughout the year, the Museum delivered an ambitious and wide-ranging outreach and exhibitions programme. Activity began in January with the popular *Lost Soldiers* exhibition by artist Mark Humphries, originally created for the First World War centenary. Although the scale of the artwork prevents permanent display, its presence attracted strong interest and 1,197 visitors.

The Museum also marked the Corps' 150th FA Cup anniversary with a small pop-up exhibition featuring the official replica Cup, generously loaned by the Officers' Mess. Exhibitions in the Small Space continued to rotate successfully, with the programme fully scheduled until 2027. The 2025 programme expanded with the introduction of *Peace Walls*, a short-run exhibition on Northern Irish political street art accompanied by a curator talk and linked workshops using the Museum's Berlin Wall fragment—our first short-run exhibition in the Pasley Research Centre.

Outreach activity remained strong throughout the year. Museum teams represented REM at Armed Forces Day at Chatham Historic Dockyard, at 22 Engineer Regiment Families Day in Tidworth, and at community carnivals in Chatham and Gillingham. A pop-up War Winning Engineering display was also taken to the Royal Engineers Historical Society conference on *How War Stimulates Innovation in Military Engineering*, delivered in partnership with 21 Engineer Regiment and 8 Engineer Brigade.

Research and Access

The REM continues to loan items to other organisations, building recognition for our Designated Collection and increasing access. The World War One Sniper Decoy on loan to the Imperial War Museum North received 37,500 visitors in the last three months of 2025.

The Museum's access and research functions have grown substantially through new staffing and streamlined processes. The appointment of a Research & Enquiries Officer

has significantly increased efficiency of public enquiries and increased researcher visits. Subject-tracking of information requests now informs online resource development.

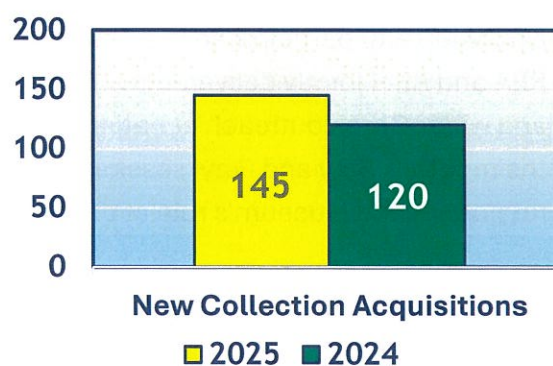
Public access to the collection has expanded and thousands of new catalogue records have been created or enhanced through the object inventory work in the stores, with hundreds of items reviewed, photographed and repacked. Producing imagery at an extremely high level and ingesting 100,000s of files from partnerships with the Army Museum Ogilby Trust and Find My Past our Curatorial staff and volunteers are transforming the future accessibility and understanding of our Collection.

Collection Development and Care

Collection care activity has seen notable growth. Significant conservation has been completed on key collection items, including General Gordon's Chinese campaign map and the Mulberry Harbour collection. A new weekly Vehicles Volunteer Group now carries out conservation and consolidation of the Museum's vehicle and large equipment holdings.

Collection development continues through steady public donations and MOD gifting. A four-bay Bailey Bridge has already been installed outdoors and will be joined by a Medium Girder Bridge in 2025.

Cataloguing, inventory, and film conservation have progressed, including training for cine-film repair. Ongoing digitisation and improved environmental monitoring (including new sensors and adaptations to archival climate control) are supporting higher standards of care and accountability.



Learning and Families

The Learning and Families programme remain active and wide-ranging. Weekly school bookings, monthly Mini Museum Explorers sessions, and extensive outreach continue to bring children and young people into closer engagement with military engineering heritage.

The annual Schools Bridge Building Competition remains a flagship event, supported by Rochester Bridge Trust. An Arts Council England project enabled Special Educational Needs students to work with artists and performers from Peoplescape Theatre and explore our Collection. Despite these successful programmes, encouraging routine visits from schools and particularly secondary schools remains a challenge and visits were down on 2024 by 40%. In response, new immersive study days for the First World

The Royal Engineers Museum CIO
Trustees Report
For the year ended 31 December 2025

War and Cold War curricula have been developed and successfully trialled with home-educated families.

Work with service families continues through our collaboration with the Army Welfare Service summer clubs as well as monthly stay-and-play sessions. Museum-based holiday family activities were aligned with the War Winning Engineering theme. The temporary Peace Walls exhibition included family street-art workshops linked to the Museum's Berlin Wall fragment.

Corps Engagement

The Museum provided extensive support to serving and retired Sappers throughout the year, offering free entry to 1,735 Sappers and around 250 Royal Engineers Association (REA) members, hosting over 45 Corps events at no cost, and supporting training and ethos activity for nearly 300 serving or prospective Sappers. Engagement with Sapper families and veterans expanded significantly, reaching over 450 people at community events. Our strengthened partnerships with the REA has enabled new initiatives such as the Bailey Bridge donation, embedded existing Veteran Vehicle weekend reunions and supported bespoke training for 120 Sappers from 1RSME Regt who visited the WWE exhibition and participated in a session on the history of British Infantry Weapons. The REA and REM jointly delivered the launch of the Chelsea Pensioners outreach service, and wider Corps outreach at national and local events. Ongoing family support included the monthly 'Stay and Play' sessions mentioned above and two Military Partners' Nights, reinforcing the Museum's role at the heart of the Sapper community.

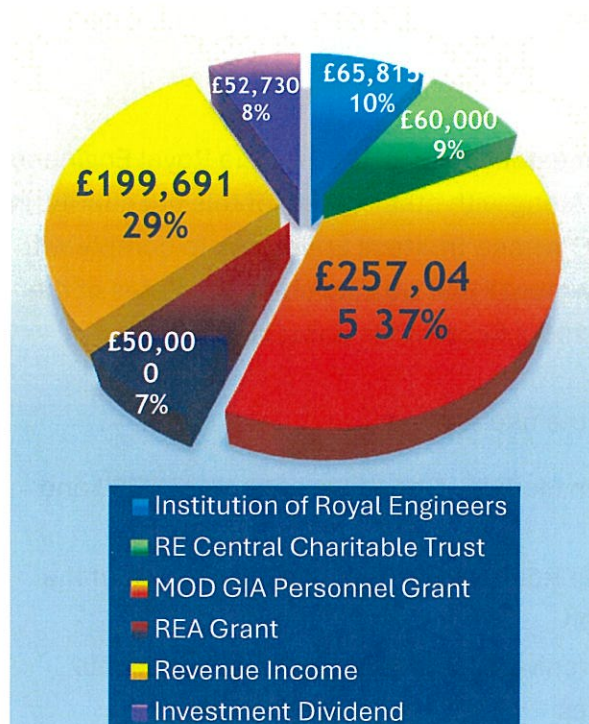
Financial Review

Principle funding sources of the REM

REM's principle financial support remains the Grant In Aid given by the Ministry of Defence in line with its policy for Army Museums. This is ringfenced for staff costs.

The funds donated by other Royal Engineer charities, The RE Institution, The RE Central Charitable Trust and the RE Association reflect the enduring support of the Corps for the preservation of its own heritage and the ability of the Museum to deliver aspects of the each charities' objects.

The Royal Engineers Museum CIO
Trustees Report
For the year ended 31 December 2025



In addition to core funding, over the last 10 years, the Museum has actively increased its own income generation. 50% of visits are chargeable with additional revenue coming from the café, shop and increasingly venue hire activities. 2025 was particularly challenging as widely report increases in the cost of living have impacted the heritage, tourism and hospitality sectors. For REM this resulted in income generation that was 19% lower than forecast. Solutions to long term growth will be addressed in the Masterplan and strategic development. REM also uses the dividends from its Endowment Fund investment in support of annual running costs.

Balance Sheet

The accumulated funds decreased by £85,365, after making gains on investments of £99,914, to £1,514,595 (2024 increased by £70,544 to £1,599,960, after making gains on investments of £70,544).

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

Reserves Policy

A Museum Endowment Fund was transferred from the old Royal Engineers Museum (Charity No. 295175) to the REM in 2025. This Fund acts as a restricted expendable reserve and the new charity adheres to the established rules for its use; to offset running costs and any decline in REM's income from its major supporters, which include other Royal Engineer Charities and the Ministry of Defence; provide funding for Museum development project. In 2025 Trustees agreed to ensure that the Fund not be used for this latter purpose should it fall below £1 million.

The Fund currently stands at £1,279,994 and Trustees recognise the necessity of building this fund for the long-term security of the Museum. The free reserve at year end were -£59,689 (2024: -£51,766). This due to the large amount held in designated funds and fixed assets.

Restricted Funds

Endowment Fund

This is a restricted expendable endowment established in 1989 for the Royal Engineers Museum Trust (Charity No. – now closed). Along with other assets of this old charity, in 2025 it was transferred to the new REM CIO whose Trustees undertook to comply with its existing rules. The purpose of the Endowment Fund was set out in the Rules of the Institution of the Royal Engineers (revised 2009) Section VII, paragraph 14.

The following restricted funds are held for the use shown:

- Medway Council VE80 - A grant from Medway Council in support of VE80 and community events
- Bridge Building – A grant given by the Rochester Bridge Trust in support of the Schools Bridge Building Competition
- BR200 and Archive – Fund for the Archive & Library Project that moved this collection into the Museum premises
- HLF/War Winning Engineering – NHLF grant for the War Winning Engineering Project, conserving, digitising and exhibiting WW2 technical drawings
- National Lottery Award / Peace Project – A fund for project commemorating the casualties of WW1
- National Archives – A grant given by TNA for a project encouraging awareness and interest in archival careers

Unrestricted funds

Friends of the Royal Engineers Museum

The Association of the Friends of the Royal Engineers Museum (FoREM) raises modest sums for the Museum, primarily through its membership fees. This money is held in a designated fund. Its Chair currently sits on the Trustee Board in a non-voting capacity. Notes 15 and 18 of the financial statements provide the financial details for the year.

Museum Collection Fund

A fund has been set up to hold funds raised by the Museum through the legitimate sale of de-accessioned or un-accessioned items in the Collection under the Museum's disposal policy and procedures. Such funds can only be used for the benefit of the Collection, either for acquisition of other items or for conservation projects and be used as partnership funding for grant applications to the same ends. Note 22 of the financial statement provides financial details for the year.

Designated Project Fund

This fund was created to assist REM development projects as well as large operational and/or infrastructure expenditure and includes general fundraising activity.

Investment House and Performance

Investment House

The Museum invests in the Armed Forces Charities Growth & Income Fund, managed by BlackRock. The Objective of the Fund is to achieve real growth in capital and income over the long term by investment mainly in equities and fixed income securities. Further investment details are given in the notes to the financial statements. No additional investment units were purchased in 2025.

Investment Performance

Investments delivered dividends of £52,730 in 2025 (2024: £41,491). During the period 1 January to 31 December 2025, the performance of the distribution units in the fund was +12.8% (2024: +8.1%) after fees and expenses.

Risk Management Statement

The Trustees have given consideration to the major risks to which the charity is exposed. They regularly review the Risk Register and risk is discussed at every Board meeting as a standing agenda item. They are satisfied that systems have been established to mitigate those risks including closer scrutiny of finances with the establishment of a standing Finance Committee. The Register encompasses legislative obligations placed on REM as a charity, museum, workplace and public attraction.

Trustees have also ensured that all REM activity, Trustees and key officers are properly indemnified through the arrangement of museum appropriate insurance.

Plans for the Future

The Strategic Plan 2025-2035 describes our ambition to transform our public offer, increasing our audience, profile and reputation. In order to progress this strategy the REM will, in 2026, work with stakeholders to create a Masterplan. Incorporating audience research, feasibility studies and fundraising plans, this will guide our journey to the vision of the Museum in 2035. As well as working towards the Masterplan the Trustees have approved the following four initiatives for 2026-2027.

- Understanding our Audiences by reviewing the data already collected and increasing our evaluation of Museum services and programmes to improve existing services and practice. This will also complement the commissioning of audience development research as part of our Masterplanning.
- Consolidating & Developing Communications in order to reach more people with information about the Museum, increase the consistency of timing and brand and showcase the wide range of services and activities delivered by the Museum.
- Removing Obstacles for Sappers by working closely with the Corps to identify issues preventing the inclusion of Museum visits to training programmes. We will establish a Sapper Youth Panel to ensure that the voices, perspectives, and experiences of young Royal Engineers meaningfully inform the Museum's activities, programming, interpretation, and strategic development.
- Making Best Practice Routine in order to ensure that we have a solid operating base that supports daily practice and strategic development. Work here includes reviews of general administrative processes such as IT provision, staff performance monitoring, security and on line retail.

Alongside these initiatives we will continue to offer an exciting public programme to all Museum users as well as careful curation of the Collection.

Structure, Governance and Management

In 2021 the Council of the Institution of Royal Engineers, comprising the Board of Trustees for the Royal Engineers Museum (Charity No. 295173) agreed to create and transfer all responsibility for the stewardship of the historic collection and the operation of the Museum of Corps of Royal Engineers to a new Charitably Incorporated Organisation. on the 20th November 2024, after appropriate consultation with Institution Members, the Engineering Council and the Privy Council, the Royal Engineers Museum CIO was established.

Property was transferred and a perpetual Loan Agreement for the Collection was agreed on the 31st January 2025.

Employment of all Museum staff was transferred to the new CIO in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Trustee Recruitment & Training

The Royal Engineers Museum CIO
Trustees Report
For the year ended 31 December 2025

A rigorous public recruitment and selection process was undertaken in 2024 by the REM Chair and Director. Six appointed Trustees joined the two nominated and two ex-officio Trustees on the new CIO Board. Throughout the Autumn of 2024 all REM CIO Trustees attended meetings, training and inductions.

A record of Trustee training is maintained by the Museum Director and Trustees are expected to renew formal training on their legal responsibilities every 3 years. Other training opportunities, including attendance at relevant conferences, are made available throughout the year.

REM Scheme of Delegation

A Scheme of Delegation defining how the Board of Trustees delegate authority, decision making and responsibilities to its employees and committees will be approved by April 2026.

REM Trustee Committees and Groups

In accordance with Clause 14 of the REM Constitution the Board of Trustees may delegate any of their powers or functions to a committee or committees:

REM Finance Committee

The Finance Committee was constituted by REM Resolution 004 and comprises the Chair of the REM Finance Committee, two other Trustees, the Corps Treasurer and the Museum Director. Its statement of purpose is “To exercise, on behalf of the Board Trustees, supervisory oversight of the Charity’s activities related to finances and investments, including related risks. The Committee is responsible, on behalf of the Trustees, for reviewing, challenging and ultimately supporting Management and the Corps Treasurer in assessing and advising on necessary actions in relation to ongoing financial performance, financial planning (including annual budgets) and in managing the Charity’s financial resources, including the Endowment Fund.”

HR and Remuneration Committee

This Committee was constituted by REM Resolution 005 and comprises the Chair of the REM Finance Committee, two other Trustees, the Corps Treasurer and the Museum Director. Its statement of purpose is “To exercise, on behalf of Trustees, supervisory oversight of all aspects of the Charity’s activities related to people, and related risks, and to remuneration. In particular the Committee is responsible for agreeing the benefits package, pay & bonus awards and co-ordinating recruitment of the REM Director. Day-to-day management of activities relating to people are and remain the responsibility of the Director and the Senior Management Team.”

The Royal Engineers Museum CIO
Trustees Report
For the year ended 31 December 2025

Strategy Steering Group

The Group was established to support the Museum Executive in the planning and delivery of the REM Strategy 2025-2035. It comprises four Trustees, Museum Director, Deputy Director and Head Curator. Its statement of purpose is to “Act as an advisory and coordinating group to ensure the progress of strategic development, regularly updating the full Trustee Board out of the main Trustee meetings.”

Partnerships and Networks

The REM sits within a network of other Corps and military charities as well as heritage organisations. Our primary partnerships are with:

The Institute of Royal Engineers (Inst RE)

As owner of the historic collection, the Inst RE is the preeminent partner of the REM. Through a perpetual Loan Agreement and in pursuit of its own charitable objects, it delegates to the REM all responsibilities for the development, care, security and public access to the collection. It also provides an annual grant to the REM which, in 2025, provided 14% of our operational income.

The Ministry of Defence

Under the existing MOD Policy for National, Regimental and Corps Museums, REM continues to receive its support. This support comprises Grant in Aid funding for REM staff costs as well as occupation and maintenance of four buildings and their adjacent grounds as per the 2001 lease and 2015 supplemental lease agreed between the Institution of Royal Engineers (Body Politic) and the Secretary of State for Defence.

The Royal Engineers Central Charitable Trust (RECCT)

In pursuit of its own charitable objects, the RECCT provides REM with an annual grant towards running costs. In 2025 this provided 13% of REM’s budgeted operational charity income as part of its ‘enduring support’.

The Royal Engineers Association (REA)

In 2022 REA Trustees approved its first grant of £50,000 for the delivery of recognised shared charitable objects. In 2025 this strategic partnership provided 13% of the Museum’s operational charity income and has been agreed for a 4th year.

Chatham Historic Dockyard Trust

From 2008, REM entered a heritage partnership and commercial leasehold with Chatham Historic Dockyard Trust for 1,000 sq. m. of storage and display space for large items alongside similar amounts and types of dockyard equipment and for access to over 2,000 sq. m. of space for fund raising events. In 2023 a new 5-year licence to use the premises was confirmed and a licence finally agreed in January 2025.

Reference and Administrative Details

Registered Charity Number: 1211021

Principle Address: Royal Engineers Museum
Brompton Barracks
Chatham
Kent
ME4 4UG

Trustees

Maj Gen. (Retd) D. Southall CBE	Chair (Nominated)	Colonel Commandant
Col R Hawkins MBE ADC	Vice-Chair (Ex Officio)	Corps Colonel
Col (Retd) D. Bigger	(Ex Officio)	Corps Historian
Lt Col (Retd) P Brooks	(Nominated)	RE Institution
Mr R Cole-Hamilton	(Appointed)	
Ms C Constantin	(Appointed)	
Mrs H Gower	(Appointed)	
Dr G Howell MBE	(Appointed)	
Sir G Jessel Bt DL	(Appointed)	
Mr F Norwood	(Appointed)	

Museum Executive

Mrs RMS Nash	Museum Director
Mr M Thomas	Deputy Director
Dr A Rose	Head Curator

Advisors

Maj (Retd) I. Sidebottom*	Corps Treasurer	(MOD Employee)
Maj Gen (Retd) J Moore-Bick*	Chair of FoREM	

* Board of Trustees advisors and non-voting members, neither are Trustees or REM employees.

Approved by the Trustees and signed on behalf of the Trustees 16 July 2026.

Mrs RMS Nash



Director REM

The Royal Engineers Museum CIO
Trustees Report
For the year ended 31 December 2025

Independent Auditor
Kreston Reeves Audit LLP
Statutory Accountant
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers
Lloyds Bank plc
Piccadilly Branch
PO Box 1000
London
BX1 1LT

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

Investment Manager
BlackRock Investment Managers Ltd
12 Throgmorton Avenue
London
EC2N 2DL

Human Resources
HR Dept (West Kent) Ltd
134 London Road
Kent
TN4 0PL

Independent Auditors' Report to the Members of Royal Engineers Museum CIO

Opinion

We have audited the financial statements of Royal Engineers CIO (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008.

Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves Audit LLP

Samantha Rouse FCCA DChA
for and on behalf of

Date: 16 July 2026

Kreston Reeves Audit LLP
Statutory Auditor
2nd Floor
Maritime Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QZ

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

Royal Engineers Museum CIO

Statement of financial activities
For the year ended 31 December 2025

		Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total funds 2025	Re-Styled Total funds 2024
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	581,746	5,200	9,521	596,467	676,815
Other trading activities	8	134,721	-	-	134,721	137,012
Investments	16	54,397	-	349	54,746	47,515
Total income		770,864	5,200	9,870	785,934	861,342
Expenditure on:						
Raising funds	10/11	47,784	-	-	47,784	45,825
Charitable activities	17	815,330	108,099	-	923,430	791,186
Total expenditure		863,114	108,099	-	971,213	837,011
Net income/(expenditure) before revaluations		(92,250)	(102,899)	9,870	(185,279)	24,331
Net gains on investments	26	-	-	99,914	99,914	46,213
Net income before transfers		(92,250)	(102,899)	109,784	(85,365)	70,544
Transfers between Funds	29	85,000	117,000	(202,000)	-	-
Net movement in funds for year		(7,250)	14,101	(92,217)	(85,365)	70,544
Total funds at 1 January 2025	29	253,181	7,575	1,339,204	1,599,960	1,529,416
Total funds at 31 December 2025	29	245,931	21,676	1,246,988	1,514,595	1,599,960

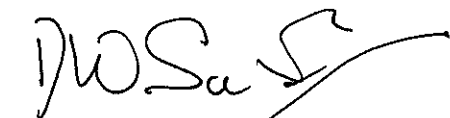
All activities relate to continuing operations.

The notes on pages 20 to 42 form part of these financial statements.

Royal Engineers Museum CIO
Charity Number 295173
Balance sheet
As at 31 December 2025

	Note	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	25		156,585		142,375
Investments	26		<u>1,279,994</u>		<u>1,297,079</u>
			1,436,579		1,439,454
Current assets					
Stock		10,250		10,275	
Debtors: amounts falling due within one year	27	19,629		22,110	
Cash at bank		<u>236,750</u>		<u>305,941</u>	
		266,629		338,326	
Creditors: amounts falling due within one year	28	<u>(188,613)</u>		<u>(177,820)</u>	
Net current assets			<u>78,016</u>		<u>160,506</u>
Net assets			<u>1,514,595</u>		<u>1,599,960</u>
Charity Funds					
Endowment funds	29		1,246,988		1,339,204
Restricted funds	29		21,676		7,575
Unrestricted funds	29		<u>245,931</u>		<u>253,181</u>
Total funds			<u>1,514,595</u>		<u>1,599,960</u>

The financial statements were approved by the Trustees on 16 July 2026 and signed on their behalf, by:



Major General DW Southall CBE - Trustee



Colonel GS Cheesman ADC - Corps Colonel

The notes on pages 20 to 42 form part of these financial statements.

Royal Engineers Museum CIO

Statement of Cash Flows
For the year ended 31 December 2025

	Note	2025	2024
		£	£
Net cash used in operating activities	33	<u>(234,814)</u>	<u>56,154</u>
Cash flows from investing activities			
Interest and dividends		54,746	47,515
Sale of investments		117,000	-
Purchase of Investments		-	(402,000)
Purchase of tangible fixed assets		(6,123)	(7,834)
Cash provided by (used in) investing activities		<u>165,623</u>	<u>(362,319)</u>
 Increase (decrease) in cash and cash equivalents in the year		<u>(69,191)</u>	<u>(306,165)</u>
Cash and cash equivalents at the beginning of the year		305,941	612,106
Total cash and cash equivalents at the end of the year		<u>236,750</u>	<u>305,941</u>

Analysis of changes in net debt

	At 1 Jan 2025	Cashflows	At 31 Dec 2025
	£	£	£
Cash and cash equivalents			
Cash	305,941	(69,191)	236,750

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

1 General administrative Information

Royal Engineers Museum Fund is an unincorporated charity in England and Wales with the charity registration number 295173. The address of the registered office is Royal Engineers Museum, Brompton Barracks, Chatham, Kent, ME4 4UG. The charities principal objectives continue to be to collect, preserve and present accessibly the military and civil work, deeds and history of The Corps of Royal Engineers and to educate and promote scholarship therein for members of the Corps, the wider Armed Forces and the general public and, thereby, to contribute positively to the proficiency reputation and efficiency of the Corps, the recruitment and inspiration of its members and the benefit of the public.

2 Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

2.2 Preparation of the accounts on a going concern basis

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

2 Accounting policies (continued)

2.3 Fund accounting

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

Endowment funds represent an expendable endowment, where the endowed capital can be converted to income. In 2025, £117K of investments were realised to fund tranche 1 of The National Lottery Heritage project.'

Designated funds:

ForEM is a fund set up at the request of the Trustees to enable volunteers to support the museum.

Projects:

Museum improvements relate to the museum improvement to which a capital grant was made.

Collection fund represents income recovered from the sale of heritage assets and which in accordance with the MLA/DCMS guidelines, can only be expended on the collection.

MLA & Wolfson Trust represents grant income against specific expenditure.

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

2.4 Income

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

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is an obligation to committing the trust to the expenditure. All expenditure is accounted for on an accruals basis.

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 17.

Overhead and support costs that cannot be attributed direct to a charitable activity have been allocated on a percentage basis of time, space or cost against the activity.

2.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and all assets are valued at historic cost. Depreciation is charged on assets using a straight-line basis over their estimated life as follows:

Museum improvements	-	10 - 20% per annum on cost
General property	-	10 - 20% per annum on cost

2.7 Investments

Investments held as fixed assets are included in the accounts at valuation based on their bid price at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Royal Engineers Museum CIO

**Notes to the financial statements
For the year ended 31 December 2025**

2 Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

2.11 Financial instruments

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

2.12 Pensions

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

2 Accounting policies (continued)

2.13 Heritage assets

When the Museum and Archive Collection moved to the Ravelin Building in 1986 it encompassed about 15,000 diverse items. Its accession register now has over 32,000 entries of which over 17,000 are objects, 2,200 are books, and 3,000 are maps and prints and the rest are archival collections of greater quantity than the accession entry indicates and includes examples such as Wellington's dispatches from the Peninsular War. Around 7,500 items are on display in 25 galleries. The Library and its Archive contains about 32,000 books, a further 3,000 maps, plans and prints, over 700 films, around 340,000 historic photos, slides and glades going back to the origins of the medium and 650,000 archival records and specifications.

Trustees believe that it would prove onerous and exceedingly expensive to value the extensive and diverse historical RE Museum & Library heritage assets. A curatorial register of heritage assets is maintained.

Trustees introduced a policy in 2011 whereby individual museum exhibits are capitalised if their cost exceeds £1,000. Heritage assets acquired since the introduction of SORP 2005 are valued. Heritage assets represent museum exhibits within unrestricted funds.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

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

2.15 Donated services and facilities

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

2.16 Critical accounting estimates and areas of judgement

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

2.17 Taxation

Royal Engineers Museum Fund is a registered charity and accordingly no provision is considered necessary for taxation.

Royal Engineers Museum CIO

Notes to the financial statements

For the year ended 31 December 2025

3 Donations and legacies

		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Re-Styled Total funds
	Note	2025	2025	2025	2025	2024
		£	£	£	£	£
Donations	4	1,502	-	-	1,502	1,034
Grants	5	445,160	5,200	-	450,360	537,817
Endowment fund subscriptions	6	-	-	9,521	9,521	9,696
Donated Services and Facilities	7	134,619	-	-	134,619	128,050
Sundry Income		257	-	-	257	-
Compensation Claim		208	-	-	208	218
		581,746	5,200	9,521	596,467	676,815

Income from Donations and legacies was £596,467 (2024: £548,765) of which £581,746 was unrestricted (2024: £549,531), £5,200 was restricted (2024: £117,588) and £9,521 was endowment (2024: £9,696).

4 Donations

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	2025	2025	2025	2025	2024
	£	£	£	£	£
Individuals	910	-	-	910	580
Museum visitors	593	-	-	593	454
	1,502	-	-	1,502	1,034

Donated services and facilities

Administrative utility costs	100,382	97,054
Administration salaries	34,237	30,996
	134,619	128,050

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

5 Grants

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Royal Engineers Central Charitable Trust (RECCT)	60,000	-	-	60,000	50,000
Institution of Royal Engineers - RE Museum/Library	65,817	-	-	65,817	64,524
RE Association	58,549	-	-	58,549	52,763
Heritage Lottery Fund	-	-	-	-	116,988
Rochester Bridge Trust	-	600	-	600	600
Medway Council	-	3,000	-	3,000	-
National Archives	-	1,600	-	1,600	-
AIM	-	-	-	-	290
Grant in Aid	260,794	-	-	260,794	250,588
Norfolk County Council	-	-	-	-	924
SE Museum Development	-	-	-	-	1,140
	445,160	5,200	-	450,360	537,817

6 Endowment fund subscriptions

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Endowment fund subscriptions	-	-	7,833	7,833	7,953
Tax refund	-	-	1,688	1,688	1,743
	-	-	9,521	9,521	9,696

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

7 Donated services and facilities

	Unrestricted	Restricted	Endowm ent	Total	Total
	funds	funds	funds	funds	funds
	2025	2025	2025	2025	2024
	£	£	£	£	£
Administrative utility costs	100,382	-	-	100,382	97,054
Administration salaries	34,237	-	-	34,237	30,996
	134,619	-	-	134,619	128,050

Donated services and facilities have been recognised within donation income this year. Prior year balances have been re-stated to match this treatment. In prior years donated services and facilities had been allocated across activities.

8 Other trading activities

		Unrestricted	Restricted	Endowm ent	Total	Re-Styled Total
		funds	funds	funds	funds	funds
		2025	2025	2025	2025	2024
		£	£	£	£	£
Learning Workshops	9	5,802	-	-	5,802	6,307
Promotional events	10	708	-	-	708	6,338
Venue Hire	11	15,090	-	-	15,090	12,207
Primary Retail	12	6,632	-	-	6,632	9,149
Café Trading	13	20,280	-	-	20,280	16,346
Museum entrance fee	14	78,066	-	-	78,066	77,560
FoREM	15	5,849	-	-	5,849	5,483
Research		1,941	-	-	1,941	2,152
Digital Images		353	-	-	353	1,470
		134,721	-	-	134,721	137,012

In both 2024 and 2025 the income from other trading activities was unrestricted.

9 Learning

	Unrestricted	Restricted	Endowm ent	Total	Re-Styled Total
	funds	funds	funds	funds	funds
	2025	2025	2025	2025	2024
	£	£	£	£	£
Education	4,950	-	-	4,950	4,917
Family Activities	853	-	-	853	1,390
	5,802	-	-	5,802	6,307

Royal Engineers Museum CIO

Notes to the financial statements
For the year ended 31 December 2025

10 Promotional events

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Re-Styled Total funds 2024 £
Income					
Event Income	708	-	-	708	6,338
	708	-	-	708	6,338
Expenditure					
Miscellaneous	1,161	-	-	1,161	1,038
Cost of Events	4,610	-	-	4,610	7,222
Advertising	1,744	-	-	1,744	178
Staff costs	36,870	-	-	36,870	34,507
Depreciation	58	-	-	58	62
	44,442	-	-	44,442	43,006
Net expenditure	(43,734)	-	-	(43,734)	(36,668)

11 Venue Hire

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Re-Styled Total funds 2024 £
Income					
	15,090	-	-	15,090	12,207
	15,090	-	-	15,090	12,207
Expenditure					
	3,342	-	-	3,342	2,818
	3,342	-	-	3,342	2,818
Net income	11,749	-	-	11,749	9,389

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

12 Primary Trading

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income					
Sales	12,170	-	-	12,170	16,272
	<u>12,170</u>	<u>-</u>	<u>-</u>	<u>12,170</u>	<u>16,272</u>
Expenditure					
Opening Stock	(9,652)	-	-	(9,652)	(6,907)
Purchases	(4,974)	-	-	(4,974)	(9,868)
Closing Stock	9,089	-	-	9,089	9,652
	<u>(5,537)</u>	<u>-</u>	<u>-</u>	<u>(5,537)</u>	<u>(7,123)</u>
Profit/Loss	<u>6,632</u>	<u>-</u>	<u>-</u>	<u>6,632</u>	<u>9,149</u>

13 Café Trading

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income					
Sales	44,667	-	-	44,667	40,855
	<u>44,667</u>	<u>-</u>	<u>-</u>	<u>44,667</u>	<u>40,855</u>
Expenditure					
Opening Stock	(623)	-	-	(623)	(364)
Stock Purchases	(22,862)	-	-	(22,862)	(20,769)
Disposable Purchases	(1,545)	-	-	(1,545)	(1,241)
Equipment	(519)	-	-	(519)	(2,758)
Closing Stock	1,161	-	-	1,161	623
	<u>(24,387)</u>	<u>-</u>	<u>-</u>	<u>(24,387)</u>	<u>(24,509)</u>
Profit/Loss	<u>20,280</u>	<u>-</u>	<u>-</u>	<u>20,280</u>	<u>16,346</u>

Royal Engineers Museum CIO

Notes to the financial statements

For the year ended 31 December 2025

14 Museum entrance fee

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Re-Styled Total funds 2024 £
Entrance tickets	77,999	-	-	77,999	77,435
Research Passes	67	-	-	67	125
	78,066	-	-	78,066	77,560

15 FoREM

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Subscriptions	3,117	-	-	3,117	2,856
Donations	353	-	-	353	388
Gift Aid	829	-	-	829	769
EOD UK Ltd	-	-	-	-	250
Sundry	1,390	-	-	1,390	1,032
Deposit Account Interest	160	-	-	160	188
	5,849	-	-	5,849	5,483

Royal Engineers Museum CIO

Notes to the financial statements
For the year ended 31 December 2025

16 Investment Income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Dividends	52,730	-	-	52,730	41,491
Bank interest	1,667	-	349	2,016	6,024
	54,397	-	349	54,746	47,515

BlackRock charge a headline fee of 0.4% against the pooled funds of AFCIF. As at 31st December 2015, 10% of the fund was outsourced to third party managers through an open architecture investment initiative. Identifying management costs against individual funds in the AFCIF is therefore very complicated. BlackRock consulted with the Charities Commission who declared to BlackRock Investment Managers that there is no requirement to identify management costs against pooled investments.

In both 2024 and 2025 the investment income was unrestricted.

Royal Engineers Museum CIO

Notes to the financial statements

For the year ended 31 December 2025

17 Charitable Activities

		Direct costs 2025	Support costs 2025	Total 2025	Re-Styled Total 2024
		£	£	£	£
FoREM	Note 18	-	5,015	5,015	1,060
Engagement	Note 19	126,941	348,059	475,000	356,423
Learning	Note 20	2,203	58,429	60,632	61,537
Operations	Note 21	20,702	287,466	308,167	297,107
Collections Management	Note 22	9,194	65,422	74,616	75,059
		159,039	764,390	923,430	791,186

Expenditure on charitable activities was £923,430 (2024: £791,186) of which £815,331 unrestricted (2024: £787,100) and £108,099 was restricted (2024: £4,086).

18 FoREM

	2025 £	2024 £
Support costs		
Smudgers Talk	-	230
Miscellaneous costs	5,015	830
	5,015	1,060

Royal Engineers Museum CIO

**Notes to the financial statements
For the year ended 31 December 2025**

19 Engagement

	2025	2024
	£	£
Direct costs		
Permanent Galleries	1,854	7,860
Temporary Exhibitions	799	409
Community Engagement Projects	135	1,146
	124,153	9,586
	126,941	19,001
Support costs		Re-Styled
Dockyard Rent	19,097	9,177
Seminars and courses	-	100
Travel and subsistence	993	2,740
IT support	874	2,987
Legal Fees	2,923	1,456
Professional Fees	6,876	6,018
Insurance	3,358	3,233
Subscriptions	174	170
Miscellaneous support	3,289	3,733
Volunteers expenses	2,104	1,399
Staff costs	320,499	290,192
Depreciation	16,759	16,217
Restated Value	(28,887)	-
	348,059	337,422
	475,000	356,423

Royal Engineers Museum CIO

**Notes to the financial statements
For the year ended 31 December 2025**

20 Learning

	2025	Re-Styled 2024
	£	£
Direct costs		
Equipment	1,737	1,375
Bridge Building/Prizes	466	444
	2,203	1,819
Support costs		
Seminars and courses	45	-
Travel and subsistence	183	259
IT support	291	995
Legal Fees	219	109
Professional Fees	2,000	1,751
Insurance	3,358	3,233
Subscriptions	173	170
Miscellaneous costs	2,446	2,878
Staff costs	49,305	49,892
Depreciation	408	431
	58,429	59,718
	60,632	61,537

Royal Engineers Museum CIO

**Notes to the financial statements
For the year ended 31 December 2025**

21 Operations

	2025	Re-Stated 2024
	£	£
Direct costs		
Marketing	16,566	9,906
Fundraising	793	-
Maintenance	3,343	10,449
	20,702	20,355
Support costs		
Seminars and courses	966	105
Travel and subsistence	2,218	1,774
IT support	4,370	14,933
Legal Fees	219	109
Professional Fees	1,875	1,641
Insurance	4,527	4,358
Subscriptions	2,984	2,768
Miscellaneous support costs	3,879	3,836
Volunteer Expenses	202	134
Staff costs	129,372	116,787
Depreciation	2,234	2,257
Donated Services and Facilities	134,619	128,050
	287,466	276,752
	308,167	297,107

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

22 Collections Management

	2025	Re-Styled 2024
	£	£
Direct costs		
Conservation Equipment	6,422	4,311
Collection Management	1,781	205
Digitilisation	3,241	2,980
Axial (Adlib)	(2,250)	12,250
	<u>9,194</u>	<u>19,746</u>
Support costs		
Seminars and courses	560	761
Travel and subsistence	1,313	1,077
IT support	291	995
Legal Fees	219	109
Professional Fees	875	766
Insurance	3,358	3,233
Subscriptions	303	310
Miscellaneous support costs	2,519	2,944
Volunteer Expenses	576	383
Staff costs	54,065	43,370
Depreciation	1,341	1,365
	<u>65,422</u>	<u>55,313</u>
	<u>74,616</u>	<u>75,059</u>

23 Net income/(expenditure)

This is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	20,799	20,332
Reversal of Historic Depreciation on Historic Assets	(28,887)	-
Auditor's remuneration	3,967	3,290

During the year, no Trustees received any remuneration (2024: £Nil).

During the year, no Trustees received any benefits in kind (2024: £Nil).

Three Trustee received reimbursement of expenses in the current year totalling £2,561.52 (2024: £Nil).

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

24 Staff costs

Staff costs were as follows:

	2025 £	2024 £
Wages and salaries	509,733	468,617
Social security costs	45,650	35,339
Pension costs	34,729	30,792
	<u>590,112</u>	<u>534,748</u>

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

	2025 No.	2024 No.
Management and administration of the charity	<u>34</u>	<u>33</u>

The average headcount expressed as full-time equivalents was:

	No.	No.
Management and administration of the charity	<u>17</u>	<u>15</u>

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

The total employment benefits including employer pension contributions of the key management personnel were £67,248 (2024: £62,885)

25 Tangible fixed assets

	Heritage assets £	Fixtures & fittings £	Other fixed assets £	Total £
Cost				
At 1 January 2025	21,832	79,161	1,147,534	1,248,527
Additions	-	-	6,123	6,123
Transfer between Asset Classes	96,292	-	(96,292)	-
At 31 December 2025	<u>118,124</u>	<u>79,161</u>	<u>1,057,365</u>	<u>1,254,650</u>
Depreciation				
At 1 January 2025	-	67,359	1,038,793	1,106,152
Charge for the year	-	3,190	17,610	20,799
Transfer between Asset Classes	28,887	-	(28,887)	-
Reversing Depreciation to date on Heritage Assets	(28,887)	-	-	(28,887)
At 31 December 2025	<u>-</u>	<u>70,549</u>	<u>1,027,516</u>	<u>1,098,064</u>
Net book value				
At 31 December 2025	<u>118,124</u>	<u>8,612</u>	<u>29,849</u>	<u>156,585</u>
At 31 December 2024	<u>21,832</u>	<u>11,802</u>	<u>108,741</u>	<u>142,375</u>

Royal Engineers Museum CIO

**Notes to the financial statements
For the year ended 31 December 2025**

26 Fixed asset investments

	Listed securities
Market value	£
At 1 January 2025	1,297,079
Sold	(117,000)
Revaluations	99,915
At 31 December 2025	<u>1,279,994</u>
Historical cost	<u>1,125,640</u>

Investments at market value comprise:

	2025	2024
	£	£
Listed investments	<u>1,279,994</u>	<u>1,297,079</u>

All the fixed asset investments are held in the UK

Material investments

All invested funds at the balance sheet date were held in the BLK Armed Forces Charities Growth and Income Fund, managed by BlackRock Investment Managers Limited.

Royal Engineers Museum CIO

**Notes to the financial statements
For the year ended 31 December 2025**

27 Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	2,656	2,474
Other debtors	16,855	14,336
Prepayments and accrued income	118	5,300
	19,629	22,110

28 Creditors:

Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	16,347	(1,473)
Other creditors	169,433	176,387
Accruals and deferred income	2,833	2,906
	188,613	177,820

Royal Engineers Museum CIO

Notes to the financial statements

For the year ended 31 December 2025

29 Statement of funds

Current year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Designated projects	136,364	38,805	(33,771)	(8,042)	-	133,356
FoREM	19,703	5,849	(5,015)	-	-	20,537
Collection	6,505	-	-	(3,250)	-	3,255
	162,572	44,654	(38,786)	(11,292)	-	157,148
General funds						
General	90,609	721,445	(819,563)	96,292	-	88,783
Total Unrestricted funds	253,181	766,099	(858,349)	85,000	-	245,931
Endowment funds						
Endowment fund	1,339,204	9,870	-	(202,000)	99,915	1,246,988
Restricted funds						
Medway Council VE80	-	3,000	(1,701)	-	-	1,299
Bridge Building	156	600	(466)	-	-	290
RECCT/BR200 Archive & Lib	5,756	-	(1,455)	-	-	4,301
HLF/ War winning Engineering	-	-	(103,183)	117,000	-	13,817
Nat Lottery Award/Peace Proj	1,663	-	(1,277)	-	-	386
National Archives	-	1,600	(16)	-	-	1,584
Total Restricted Funds	7,575	5,200	(108,099)	117,000	-	21,676
Total of funds	1,599,960	781,168	(966,448)	-	99,915	1,514,595

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2024

29 Statement of funds (Continued)

Prior year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Designated projects	217,860	5,117	(21,134)	(65,479)	-	136,364
FoREM	15,281	5,482	(1,060)	-	-	19,703
Collection	6,505	-	-	-	-	6,505
Museum improvements	-	-	-	-	-	-
	<u>239,646</u>	<u>10,599</u>	<u>(22,194)</u>	<u>(65,479)</u>	<u>-</u>	<u>162,572</u>
General funds						
General	<u>281,140</u>	<u>722,297</u>	<u>(809,962)</u>	<u>(102,866)</u>	<u>-</u>	<u>90,609</u>
Total Unrestricted funds	<u>520,786</u>	<u>732,896</u>	<u>(832,156)</u>	<u>(168,345)</u>	<u>-</u>	<u>253,181</u>
Endowment funds						
Endowment fund	<u>880,902</u>	<u>10,089</u>	<u>-</u>	<u>402,000</u>	<u>46,213</u>	<u>1,339,204</u>
Restricted funds						
Transformation/Bahrain Arts Council - Capturing Cultures	116,667	-	-	(116,667)	-	-
Arts Council - Unlock AIM	98	-	(98)	-	-	-
Bridge Building	-	600	(444)	-	-	156
RECCT/BR200 Archive & Lib	7,212	-	(1,456)	-	-	5,756
BR300 Infrastructure/Store	-	-	-	-	-	-
RECCT/BR300 Infra & Store	-	-	-	-	-	-
HLF	-	116,988	-	(116,988)	-	-
Nat Lottery Award/Peace Proj	1,663	-	-	-	-	1,663
Queen's Gurkha Engineers	2,088	-	(2,088)	-	-	-
Total Restricted Funds	<u>127,728</u>	<u>117,588</u>	<u>(4,086)</u>	<u>(233,655)</u>	<u>-</u>	<u>7,575</u>
Total of funds	<u>1,529,416</u>	<u>860,573</u>	<u>(836,242)</u>	<u>-</u>	<u>46,213</u>	<u>1,599,960</u>

Royal Engineers Museum CIO

Notes to the financial statements

For the year ended 31 December 2025

30 Analysis of net assets between funds

Current year	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	2025	2025	2025	2025	2024
	£	£	£	£	£
Tangible fixed assets	148,472	8,113	-	156,585	142,375
Fixed asset investments	85,000	-	1,194,994	1,279,994	1,297,079
Debtors	19,629	-	-	19,629	22,110
Current assets	181,443	13,563	51,994	247,000	316,216
Creditors due within one year	(188,613)	-	-	(188,613)	(177,820)
	245,931	21,676	1,246,988	1,514,595	1,599,960

Prior year	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	2024	2024	2024	2024	2023
	£	£	£	£	£
Tangible fixed assets	136,619	5,756	-	142,375	154,873
Fixed asset investments	-	-	1,297,079	1,297,079	848,866
Debtors due after more than 1 year	-	-	-	-	-
Debtors	22,110	-	-	22,110	52,389
Current assets	272,272	1,819	42,125	316,216	769,743
Creditors due within one year	(177,820)	-	-	(177,820)	(146,089)
	253,181	7,575	1,339,204	1,599,960	1,679,782

31 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £34,729 (2024: £30,792).

Royal Engineers Museum CIO

Notes to the financial statements For the year ended 31 December 2025

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

	Total funds 2025	Total funds 2024
	£	£
Net movement in funds	(85,365)	70,544
Add back depreciation charge	20,799	20,332
Restated Depreciation Value on Heritage Assets	(28,887)	-
Deduct interest income shown in investing activities	(54,746)	(47,515)
Deduct gains / add back losses on investments	(99,914)	(46,213)
Decrease (increase) in stock	25	(3,004)
Decrease (increase) in debtors	2,481	30,279
Increase (decrease) in creditors	10,793	31,731
Net cash used in operating activities	(234,814)	56,154

33 Related parties disclosures

Colonel Richard Bouke Hawkins MBE ADC and Major General David W Southall CBE, Trustees of Royal Engineers Museum are also Trustees of the Royal Engineers Central Charitable Trust (RECCT) for which transactions have taken place during the year. During the year RECCT paid the Royal Engineers Museum grants totalling £60,000 (2024 – £50,000). In addition, RECCT collected subscription income on behalf of RE Museum totalling £11,146 (2024 - £7,833) and reimbursed admin recharges of £4,513 (2024 - £3,750) which was transferred during the year. As of 31 December 2025 no balance was owed from RECCT (2024: £nil).

The Royal Engineers Museum also paid over £58,893 (2024 – 75,432) to RECCT during the year in relation to recharges for salaries and pension costs, as well as admin recharges. As at 31 December 2025 a balance of £46 was owed to RECCT (2024: £nil).

The Royal Engineers Museum is a connected charity to the Institution of Royal Engineers and shares the same charter and Trustees. During the year the Institution of Royal Engineers paid the Royal Engineers Museum grants totalling £65,817 (2024 - £71,894), and no sundry recharges. As of 31 December 2025 no balance was owed to the Royal Engineers Museum (2024: £nil).

The Royal Engineers Museum reimbursed £482,739 (2024 - £477,262) to the Institution of Royal Engineers relating to salaries and pensions charges. As of 31 December 2025, no balance was owed by the Royal Engineers Museum (2024: £nil).

Colonel Richard Bouke Hawkins MBE ADC, Trustee of the Royal Engineers Museum is also a Trustee of the Royal Engineers Association (REA) for which transactions have taken place during the year. During the year, the REA paid the Royal Engineers Museum grants totalling £50,000 and £8,549 (2024 - £50,000 and £8613). As of 31 December 2025, no balance was owed by the REA (2024: £nil).

Colonel Richard Bouke Hawkins MBE ADC, Trustee of the Royal Engineers Museum is also a Trustee of the Royal Engineers Headquarter Mess (RE HQ Mess) for which transactions have taken place during the year. During the year the RE HQ Mess made no payments (2024 - £255) to the Royal Engineers Museum. As of 31 December 2025 no balance was owed by RE HQ Mess (2024 £nil).

