

Charity number: 249882

Institution of Royal Engineers

Trustees' report and financial statements

for the year ended 31 December 2021

Institution of Royal Engineers

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Institution of Royal Engineers

Trustees' Report

For the year ended 31 December 2021

The Trustees present the annual report and the audited financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out at Note 2 to the accounts and comply with the Charity's Charter, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held); thus, the going concern basis of accounting is deemed appropriate and there are no material uncertainties.

OBJECTIVES AND ACTIVITIES

The object of the Institution of Royal Engineers, as set out in its Royal Charter and Bye-Laws (Revised 2009), is to promote and advance the science of Military Engineering and to promote military efficiency, particularly the military efficiency of the Corps of Royal Engineers. In furtherance of this object the Institution has continued to:

- a. Publish a Journal and Supplement to the Journal to promote education and to disseminate information and advice;
- b. Maintain and develop a Museum, Library and Archive;
- c. Own the Museum, Library and Archive and all the exhibits, artefacts, medals and book accessions for the benefit of the Museum, Library and Archive;
- d. Arrange Joint Professional Meetings with other Institutions and professional bodies;
- e. Administer trust funds in connection with awards for academic and military excellence to officers and soldiers;
- f. Maintain memorials owned by the Institution;
- g. Raise funds by way of subscriptions, donations and otherwise;
- h. Maintain Napier House, the property of the Institution;
- i. Maintain and develop professional registration with Engineering UK and the Engineering Council at Engineering Technician, Incorporated Engineer and Chartered Engineer levels;
- j. Develop where possible joint working practices with the Royal Engineers Vocational Education Training Trust (REVETT), Charity Number 1068709)), other Institutions and the Royal School of Military Engineering.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Trustees confirm that they have had due regard to the guidance provided by the Charity Commission on public benefit when reviewing the Institution's aims and objectives, and in planning future activities, and consider that they have met the requirements in full measure. In particular:

- a. The Royal Engineers Museum Library and Archive Collection, which is owned by the Institution, is open to the general public. In addition, the Museum is open to parties of school children, providing a clear public benefit.
- b. The promotion of the military efficiency of the Royal Engineers is a matter of national importance and public benefit. As a Licensed Member of the Engineering Council, the Institution takes part in the self-regulation of the Engineering Profession, as authorised by the Privy Council, and so contributes to that wider public benefit.
- c. The education of Members of the Royal Engineers is also of public benefit, since the number of beneficiaries from the Regular Army, Reserve Army, and retired Members, represents an amply sufficient proportion of the populace.

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Trustees' Report (continued) For the year ended 31 December 2021

ACHIEVEMENTS AND PERFORMANCE

Membership numbers have remained on a par with 2020; resting at just over 10,000. The number of Members attaining fellowship – the highest class of elected membership awarded to individuals who have demonstrated exceptional commitment to the Institution and to the advancement of the art and science of Military Engineering – grew again and there are now 148 Fellows, which represents a c24% increase. Work was undertaken to amplify the benefits of membership to the Royal Engineers Reserve Army in order to encourage a greater proportion to join as well as approaching engineers from overseas Land Forces. Social media avenues were also exploited to reconnect with those who have completed their military Service.

Throughout the year the Institution continued to look to find ways to broaden its appeal and strengthen the 'offer' to the membership, to the Corps of Royal Engineers and to the wider Military Engineering community, both domestic and international. Communications remained central to membership engagement aimed at raising the level of understanding of Military Engineering and professionalism, which were achieved through:

- a. The promotion of Military Engineering via the initiation and design of events such as: lectures, joint professional meetings, battlefield studies, multimedia material and debates throughout the United Kingdom and abroad. This included informing Members of civilian Professional Registration opportunities and how to obtain such qualifications;
- b. The encouragement of individuals and other Member groups to engage, contribute and collaborate with the Institution to achieve its aim, with particular emphasis on publishing high quality articles in the Journal;
- c. Sponsoring a range of events, conferences, symposia and workshops run by the Corps of Royal Engineers and ensuring that the outputs from such fora were available to as wide an audience as possible and stored for future study; and
- d. Remaining part of an inclusive organisation whose activities and decisions consider the requirements of all Members, including minority groups.

The Royal Engineers Museum Charity – a separately Registered Charity (Charity Number 295173) sharing the same Trustee Board and Governance documents as the Institution – has remained supported by the Institution and again received annual grants totaling £121K. In addition, Trustees convened an Extra Ordinary Council meeting on 15 April 2021 and agreed to convert the Museum into a Charitable Incorporated Organisation. A timeline that sequences the early activity, sets milestones, indicates when key deliverables occur, provides an outline of the key Charitable Objects and agreements between the separate entities, including fiscal assumptions between the Royal Engineers Charities, is currently under development.

The Institution has continued to operate its License with the Engineering Council to assess candidates for Engineer Technicians, Incorporated Engineers and Chartered Engineers and is one year through the renewed 5-year License. The total of Engineering Technician registrants has reached 1483; this represents 288 new registrations in 2021, a 23% increase. The number of Chartered Engineers (32) and Incorporated Engineers (43) registered with the Institution have also continued to rise in line with planned targets.

A varied and beneficial Member Services Programme was again successfully delivered, operating in accordance with Government guidelines throughout the pandemic. The Institution sponsored a virtual 3D Printing Seminar that drew in experts from Industry, conducted its annual Joint Professional Meeting with the Institution of Civil Engineers online, provided the Key Note speaker at International Women in Engineering Day and re-ran the Contemporary Engineering Challenge; this was again a major success and generated another raft of highly quality articles for the Journal. In addition, the Institution sponsored a number of annual prizes to reward the attainment of Military Engineering excellence and, through the Royal Engineers Historical Society, delivered a series of extremely popular and informative monthly webinars. The ability to connect with the membership was significantly enhanced by the new website launched in April 2021.

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Trustees' Report (continued) For the year ended 31 December 2021

FINANCIAL REVIEW

Investment House & Policy

During 2019, the Armed Forces Common Investment Fund (AFCIF) completed the legal requirements to become a Charity Authorised Investment Fund (CAIF). On 6 December 2019, the CIF was closed and the assets were transferred to the CAIF (named the Armed Forces Charities Growth & Income Fund), on a *one-for-one* basis, which is being run with the same investment objective and policy.

The objective of the Fund (as a CAIF) is unchanged and seeks to achieve real growth in capital and income over the long term by investment mainly in equities and fixed income securities.

Investment Performance

Investments delivered dividends of £36,538 in 2021 (2020: £35,849). During the period 1 January to 31 December 2021, the performance of the distribution units in the fund was +13.1% (2020: +9.0 %) after fees and expenses. Since launch in September 2002, the fund has produced a return of +380.9%, +9.0% (2020: +325.1%, +8.2%). The fund's benchmark since inception has returned +346.3% and +8.0%.

Reserves Policy

The Reserves Policy remains unchanged; to maintain 12 months operating costs in reserve. The Institution's current unrestricted reserves are £1,190,155 (2020: £1,191,988). In November 2019 Trustees agreed to fund a growth programme profiled over 3 years drawing from reserves; the expenditure remains subject to business cases being made for any new activity, with an associated assessment on the return on investment.

Fund Designation

The component funds of the Institution are:

- a. General Fund (Unrestricted Fund).
- b. Memorials Fund (Unrestricted Designated Fund).
- c. Professional Registration (Unrestricted Designated Fund).
- d. Royal Engineers Historical Society (REHS) (Unrestricted Designated Fund).

Memorial Fund

The Memorial Fund is invested as a designated fund from which a small sum is drawn each year. Direct charitable expenditure was £10,131 (2020: £9,638).

Institution of Royal Engineers

Trustees' Report (continued) For the year ended 31 December 2021

Accounts

The Trustees confirm that the accounts comply with the current statutory requirements and with the requirements of the Institution's Charter.

Under the Bye-Laws of the Institution of Royal Engineers, the Council is responsible for the preparation of the financial statements of the Institution for each financial year.

In preparing the financial statements the Council is required to:

- a. Select suitable accounting policies and apply these consistently;
- b. Make judgements and estimates that are reasonable and prudent;
- c. State whether applicable accounting standards and statements of recommended practice have been followed;
- d. Prepare the financial statements on the going concern basis.

The Treasurer is responsible for keeping a correct statement of the assets and liabilities of every one of the funds pertaining to the Institution and shall keep such records, prepare such statements of accounts as are required annually by the auditors and periodically by the Council and which enable the Trustees to meet their responsibility to prepare financial statements for each financial year, which give a true and fair view of the incoming resources and application of resources of the Charity during the year and of its state of affairs at the end of the year. The Trustees are also responsible for ensuring that the financial statements comply with the Charities Act 2011. The Treasurer shall make proper arrangements for the care of and disbursements made from the funds belonging to the Institution. The Trustees are responsible for safeguarding the Charity's assets and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

FINANCIAL SUMMARY

General

Net expenditure before other recognised gains and losses was £86,338 (2020: £171,149).

Balance Sheet

The accumulated funds increased by £10,867 to £1,763,088 (2020: decreased by £121,743 to £1,752,221).

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

Institution of Royal Engineers

Trustees' Report (continued)

For the year ended 31 December 2021

PLANS FOR THE FUTURE

Membership

Membership plans for the future remain threefold.

a. Communications.

- (1) Exploit the enhanced functionality provided by the new Institution website that has delivered a significantly improved user experience, with a view to building further content in order to provide a vibrant contemporary Knowledge Hub.
- (2) Leverage social media channels, *inter alia*, Twitter, LinkedIn, Facebook, and YouTube to inform Members of existing and upcoming Military Engineering opportunities.
- (3) Maintain the publication of the Journal, Supplement and periodicals to inform the membership of developments and innovation in Military Engineering.
- (4) Inform Members of the Ministry of Defence's Engineering Professional Recognition Award intended to professionalise the Army in order to encourage further uptake of Professional Registration.

b. Professional Development.

- (1) Continue to offer a 'blend' of virtual and live events to enable Members to strengthen individual professional networks and connect to a wide *diaspora*.
- (2) Continue to promote Professional Registration at each level to increase uptake at Engineering Technician, Incorporated Engineer and Chartered Engineer levels, across all elements of the membership.
- (3) Maintain Engineering Council standards enabled through the work of the Professional Registration Committee.

c. Support.

- (1) Retain the status afforded by Her Majesty's Revenue and Customs as a recognised and accredited professional body.
- (2) Continue to reach into the Veteran, Army Reserve and overseas Land Forces engineer communities to promote the benefits that the Institution is able to offer.
- (3) Evaluate the current Fellows qualifying criteria, review the offer and define what the Institution expects of its Fellows.

Institution of Royal Engineers

Trustees' Report (continued) For the year ended 31 December 2021

Education

Educational development initiatives:

- a. Publish high quality articles within the Journal triannually; continuing to broaden perspectives, promote innovation, disseminate knowledge and encourage debate appropriate to Military Engineering.
- b. Sponsor further development work on the production of the History of the Corps of Royal Engineers Volume XIII – *'The Years of Interventionism and the Return to Contingency'*.
- d. Continue to deliver an annual Joint Professional Meeting; a combined Institution of Civil Engineers/Institution of Royal Engineers event.
- e. Reward Members for academic and Military Engineering excellence through the sponsorship of appropriate prizes.
- f. Ensure that Members have access to the recently opened Pasley Research Centre and James Forbes Exhibition Gallery within the Royal Engineers Museum, which provides world class Archive and Library facilities available for investigation and study.
- g. Further expand the Royal Engineers Historical Society support network and continue to build up the membership base.
- h. Continue to publicise the historic Military Engineering Collection.
- i. Develop a series of electronic-lectures to create highly accessible and enduring products based upon a compendium of educational Military Engineering subjects.

Governance

On a requirements basis, work together with the Engineering Council Governance Panel and Privy Council Office to implement any changes to the Bye-Laws approved by Trustees.

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the Corps auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

ORGANISATION

The Council delegates specific aspects of the Institution's activities to five standing committees:

- a. The Finance and Assurance Committee (FAC).
- b. The Professional Registration Committee (PRC).
- c. The Member Services Committee (MSC).
- d. The Royal Engineers Museum Committee (REMC).
- e. The Royal Engineers Historical Society (REHS).

The Institution's Secretariat comprises a Chief Executive, Treasurer, four other full-time employees, two part-time employees and one consultant for approximately one day per week.

Institution of Royal Engineers

Trustees' Report (continued)

For the year ended 31 December 2021

TRUSTEES

The Trustees who served during the year are detailed on page 9.

Appointment of Trustees

New Trustees are either appointed as *Ex-Officio* on assumption of specified appointment, or are nominated by Council or Members and are elected at an Annual General Meeting (AGM) in accordance with the Charter.

Council Membership

Officers. The President and Vice Presidents are elected for a period of up to five years.

Elected Members. Elected Members of Council may serve for up to five years.

Ex-Officio Members. *Ex-Officio* Members are Council Members (Trustees) by virtue of appointment. Such Members assume Trusteeship on appointment and relinquish (resign) the same when leaving the appointment.

Trustee Induction

Training. A Trustee Training Programme is in place; this has been augmented by online training due to the pandemic. All Trustees of Royal Engineer Charities, and all Trustees are encouraged to attend training provided by one of two consultants. Provision is made for each Trustee to receive training within 6-months of appointment and attend refresher training after 3-years tenure.

Indemnity

An order from the Charity Commission authorising the Trustees to provide indemnity insurance for themselves out of the charity funds was issued on 15 September 2001 and this has been continued.

MEMBERSHIP

The Institution of Royal Engineers consists of Fellows, Members, Apprentice Technician Members, Honorary Fellows and Honorary Members, and any other category the Council may wish to create. Fellows and Members comprise officers, warrant officers and lower ranks of the Regular and Reserve Army element of the Corps of Royal Engineers, serving or retired. Membership may also be offered to those serving, or who have served, in the Engineer arm of the Land Forces of the Commonwealth, former Dominions, Colonies or Dependencies as the Council shall determine. Similarly, membership may be offered to civilians with appropriate backgrounds who support the object of the Institution as determined by Council. Honorary Member and Honorary Fellow are offered as it appears in the Bye-Laws. Honorary Associate Membership is no longer offered; existing Honorary Associate Members continue as a legacy category.

CONNECTED CHARITIES

The Royal Engineers Museum has been registered, with the approval of the Charity Commission, as a separate charity under the provisions of the Charities Act 1960. Bye-Law 25 of the Institution's Charter was accepted for registration purposes without the need to execute a separate Charter or Constitution. The Royal Engineers Museum (Charity Number 295173) remains a connected Charity and shares the same Charter and Trustees as the Institution as a whole but is reported on separately.

Institution of Royal Engineers

Trustees' Report (continued) For the year ended 31 December 2021

RISK STATEMENT

During 2021 the Risk Working Group – led by Chairman FAC – prepared a new Institution Risk Register; the product being based on an *Opportunity and Management* approach. Council endorsed the new Risk Register on 30 September 2021, which provided a framework for the management of strategic risk employing the critical path of success approach to inform the business planning process. Trustees remain satisfied that adequate systems are in place to mitigate all the risks identified, the principal risks being:

- a. Business plan not deliverable or able to deliver on agreed priorities. Trustees plan to mitigate this through a combination of measures: funding an endorsed prioritised programme with regular review points, maintaining sufficient Unrestricted Reserve funds of at least one year's operating costs, retaining the Institution's membership of the Armed Forces Common Investment Fund, and continuing to receive professional, independent investment management advice.
- b. Lose the ability to register Members within the provision of the License granted by the Engineering Council. Although the probability of such an occurrence remains low, Trustees have continued to designate maintenance of the License a high priority. Mitigation measures include developing further resilience within the Peer Group, conducting training on a requirements basis, and monitoring internal and external perception, adapting as required, in order to deliver continuous improvement.
- c. Governance structures become inappropriate or fail, particularly relevant during the migration of the Royal Engineers Museum to a CIO. The Trustees have been fully engaged in the process to ensure alignment between the Institution and Royal Engineers Museum governance arrangements, directed that the Engineering Council Privy Council & Governance Panel are consulted throughout, contributed to the first draft of a new Royal Engineers Museum CONSTITUTION, and ensured that the Corps' solicitors have continued to be engaged. In addition, the Trustees have ensured appropriate representation at Council and the five standing committees, reviewed all outputs and activities to ensure compliance with the Royal Charter and overseen the regular evaluation of requirements and standards to ensure relevance.

Institution of Royal Engineers

Reference and administrative details of the Charity, its Trustees and Advisers for the year ended 31 December 2021

Trustees

The Council of the Institution of Royal Engineers was formed of the following individuals:

President

Major General N J Cavanagh CB	2018
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Vice Presidents

Major General D W Southall CBE	2020
Brigadier R C Brown	2019
Brigadier P J Rowell MBE	2019
Colonel J L Prichard*	2020

Members

Ex Officio

Comd 8 Engr Bde	Brigadier J E Fossey OBE	Completion of tenure 2021
	Brigadier D J Bickers MBE	September 2021
Comd 25 (CS) Engr Gp	Colonel S W Davies	July 2019
Dep Hd Plans NCGI and CRE (Geo)	Colonel R M Blunt	August 2019
Corps Colonel	Colonel M Quare MBE ADC	September 2017
Corps Sergeant Major	WO1 P Clark*	Completion of tenure 2021
	WO1 M D Elliott MBE*	May 2021

Elected

Colonel D Gray VR	2018
Major B Edwards	2017
Major H M M Stamp	2020
WO2 P D Egan	2017
Staff Sergeant D M Stones	2017

Co-opted

Major General R A M S Melvin CB OBE	2016
Lieutenant Colonel S F Scullion	2016

Chief Executive

Mr J D Acornley*	2019
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Treasurer

Major (Retired) I Sidebottom*	2013
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NB * indicates Members of FAC

Charity Registered Number

249882

Institution of Royal Engineers

Reference and administrative details of the Charity, its Trustees and Advisers (continued) for the year ended 31 December 2021

Principal Office

Regimental Headquarters Royal Engineers
Brompton Barracks
Chatham
Kent ME4 4UG

Independent Auditor

Kreston Reeves LLP
Chartered Accountants
Registered Auditors
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Lloyds 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

Approved by the Trustees 28 April 2022
and signed on behalf of the Trustees



Mr J D Acornley
Chief Executive

Institution of Royal Engineers

Independent auditor's report to the Trustees of Institution of Royal Engineers

We have audited the financial statements of Institution of Royal Engineers (the 'charity') for the year ended 31 December 2021 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities in preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of its income 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 Auditor's 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.

Independent auditor's report to the Trustees of Institution of Royal Engineers (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 statement 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 the 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 Trustees' report 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of 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 the 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 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 ISA's (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 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:

Independent auditor's report to the Trustees of Institution of Royal Engineers (continued)

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the directors 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 Companies Act 2006 and the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the audit 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
- **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.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 controls 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.

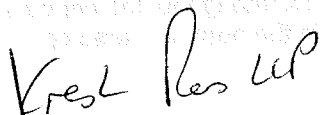
Independent auditor's report to the Trustees of Institution of Royal Engineers (continued)

- 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 my Auditor's 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 my Auditor's 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 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 and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Kent
ME4 4QU

Date: 27 June 2022

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Institution of Royal Engineers

Statement of financial activities for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and Legacies	3	424,094	12,700	436,794	401,967
Other Trading Activities	7	2,253	-	2,253	2,494
Investments	8	36,553	-	36,553	35,948
Charitable Activities	15/16	5,687	-	5,687	4,926
Total income		468,587	12,700	481,287	445,335
Expenditure on:					
Raising Funds	7	14,515	-	14,515	4,175
Charitable Activities	9	553,110	-	553,110	612,309
Total expenditure		567,625	-	567,625	616,484
Net income / (expenditure) before revaluations		(99,038)	12,700	(86,338)	(171,149)
Gains on revaluations of investment assets	22	97,205	-	97,205	49,406
Net movement in funds for the year		(1,833)	12,700	10,867	(121,743)
Total funds at 1 January 2021		1,191,988	560,233	1,752,221	1,873,964
Total funds at 31 December 2021		1,190,155	572,933	1,763,088	1,752,221

All activities relate to continuing operations.

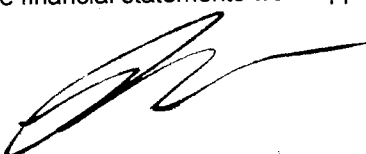
The notes on pages 18 to 29 form part of these financial statements.

Institution of Royal Engineers

Balance sheet as at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	21		594,574		586,468
Investments	22		1,152,208		1,055,003
			<u>1,746,782</u>		<u>1,641,471</u>
Current assets					
Debtors	23	25,251		24,708	
Cash at bank		22,270		149,753	
		<u>47,521</u>		<u>174,461</u>	
Creditors: amounts falling due within one year	24	(31,215)		(63,711)	
Net current assets			<u>16,306</u>		<u>110,750</u>
Net Assets			<u>1,763,088</u>		<u>1,752,221</u>
Charity Funds					
Restricted funds	25		572,933		560,233
Unrestricted funds	25		1,190,155		1,191,988
Total funds			<u>1,763,088</u>		<u>1,752,221</u>

The financial statements were approved by the Trustees on 28 April 2022 and signed on their behalf, by:


Brigadier GJ Boxall MBE, Trustee


Colonel M Quare MBE ADC, Corps Colonel

The notes on pages 18 to 29 form part of these financial statements.

Institution of Royal Engineers

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021	2020
		£	£
Net cash used in operating activities	29	<u>(149,339)</u>	<u>(147,493)</u>
Cash flows from investing activities			
Interest and dividends		36,553	35,948
Purchase of tangible fixed assets		(13,611)	(3,187)
Cash provided by (used in) investing activities		<u>22,942</u>	<u>32,761</u>
Cash used in financing activities			
Increase (decrease) in cash and cash equivalents in the year		<u>(127,483)</u>	<u>(114,732)</u>
Cash and cash equivalents at the beginning of the year		149,753	264,485
Total cash and cash equivalents at the end of the year		<u>22,270</u>	<u>149,753</u>

Analysis of changes in net debt

	At 31 Jan 2021	Cashflows	At 31 Dec 2021
	£	£	£
Cash and cash equivalents			
Cash	149,753	(127,483)	22,270

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

1 General administrative information

Institution of Royal Engineers is an unincorporated charity in England & Wales with the registration number 249882. The address of the registered office is Headquarters Royal Engineers, Brompton Barracks, Chatham, Kent, ME4 4UG. The Charity's principal objectives continued to be: To promote and advance the science of military engineering and to promote military efficiency, particularly the military efficiency of the Corps of Royal Engineers

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) 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. Institution of Royal Engineers 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).

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 operational 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.

2.3 Fund accounting

General unrestricted funds represent unrestricted assets 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 movement

Designated funds are amounts which have been put aside out of unrestricted funds at the discretion of the Trustees.

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

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

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

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 charity to the expenditure. All expenditure is accounted for on an accruals basis

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust and are always authorised by trustees.

The costs of raising 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 9.

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

2.6 Heritage assets

The Institution owns a large number of historic military artefacts that are displayed in the Royal Engineers Museum and Library. These include medals, drawings, manuscripts, 3-dimensional artefacts and published works that are up to 300 years old. These assets are not capitalised due to the significant costs involved in valuing them.

The Institution will only acquire heritage assets that are relevant to the Museum collection, whilst disposals are restricted to gifts to similar military museums.

2.7 Tangible fixed assets and depreciation

Assets costing more than £250 are capitalised and are valued at historic cost. Depreciation is charged on assets using a straight – line basis over their estimated life on the following basis:

Computers	-	20% straight line
General property	-	10% straight line

2.8 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 revaluation and disposals throughout the year.

2.9 Debtors

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

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

2.10 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.

2.11 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.

2.12 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.

2.13 Donated services and facilities

Donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. This amount is matched by donated expenditure.

2.14 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.

2.15 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000
- b. Between £5,000 and £10,000
- c. Over £10,000

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

		Total funds 2021	Total funds 2020
		£	£
3 Donations and Legacies			
Subscriptions	(Note 4)	338,891	322,803
Grants	(Note 5)	3,120	3,000
Registration fees		27,266	20,583
Donations		452	5,130
Donated assets		12,700	-
Donated services and facilities	(Note 6)	54,365	50,451
		436,794	401,967

Income from Donations and Legacies was £436,794 (2020 - £401,967) of which £424,094 was unrestricted (2020 - £401,967) and £12,700 was restricted (2020 - £Nil).

4 Subscriptions

	£	£
Regular officers	137,242	132,641
Other members	80,011	78,066
Serving soldiers	54,863	51,801
Members of the Reserve	10,508	12,404
Tax refund	17,094	13,948
Fellowship	7,050	7,523
Eng Tech	29,079	23,434
I Eng	1,637	1,518
C Eng	1,407	1,468

Support Costs

Audit	835	759
Insurance	286	301
Administration	1,739	506
Depreciation	2,269	174
Post and telephone	1,729	1,232
Donated services support costs	8,390	7,897
Staff costs	69,799	55,651
	85,047	66,520
	253,844	256,283

5 Grants

	£	£
Officer Cadet prize fund	3,120	3,000

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

	Total funds 2021	Total funds 2020
6 Donated services and facilities	£	£
Gas	1,747	1,734
Electricity	2,066	2,042
Water and sewage	836	824
Community charge	5,574	5,519
Administrative utilities	1,433	1,403
Administrative salaries	42,709	38,929
	54,365	50,451

7 Trading Activities

	£	£
Income		
Publication sales	2,253	2,494
	£	£
Expenditure		
Corps History	14,515	2,049
Follow the Sapper	-	2,100
Miscellaneous publications	-	26
	14,515	4,175

All income and expenditure on trading activities was unrestricted in 2021 and 2020.

8 Investment Income

	£	£
Dividends	35,440	34,771
Dividends - Memorial Fund	1,098	1,078
Bank interest	15	99
	36,553	35,948

All investment income in 2021 and 2020 was unrestricted.

Institution of Royal Engineers

Notes to the financial statements

For the year ended 31 December 2021

9 Analysis of Expenditure by activities

		Direct costs	Support costs	Total funds	Total funds
		2021	2021	2021	2020
		£	£	£	£
Subscriptions	(Note 4)	-	85,047	85,047	66,520
Publications	(Note 10)	51,793	68,960	120,753	129,215
Maintain Memorials	(Note 11)	-	10,131	10,131	9,638
Professional Effectiveness	(Note 12)	1,466	10,571	12,037	30,504
Grant making	(Note 13)	128,051	18,158	146,209	172,131
Digitisation	(Note 14)	3,313	37,880	41,193	56,991
Napier House	(Note 15)	2,679	5,701	8,380	9,890
RE Historical Society	(Note 16)	361	6,191	6,552	7,476
Awards	(Note 17)	10,535	-	10,535	18,506
Professional Registration	(Note 18)	34,560	77,712	112,272	111,438
		232,758	320,351	553,110	612,309

All expenditure on charitable activities in 2021 and 2020 was unrestricted.

10 Publications

	£	£
Direct costs		
Distribution costs	26,982	28,292
Publications	24,811	23,570
	51,793	51,862
Support costs		
Audit	835	759
Administration	781	1,371
Insurance	286	301
Post and telephone	648	462
Computer support costs	6,721	5,374
Staff costs	49,714	57,587
Donated service support costs	6,913	6,471
Depreciation	3,062	5,028
	68,960	77,353
	120,753	129,215

11 Maintain Memorials

	£	£
Support costs		
Audit	144	131
Administration	94	68
Insurance	306	323
Staff costs	4,306	4,255
Donated service support costs	5,281	4,861
	10,131	9,638

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

12 Professional Effectiveness

	Total funds 2021	Total funds 2020
	£	£
Direct costs		
RUSI/Inst Conference	-	10,450
JPM's	1,530	1,620
Fellow Event	-	4,627
Sponsored Symposia	131	600
Other in Year Opportunities	255	3,060
Refund Previous year	(450)	-
	<u>1,466</u>	<u>20,357</u>
Support Costs		
Insurance	123	129
Post and telephone	43	31
Staff costs	5,124	5,128
Donated service support costs	5,281	4,858
	<u>10,571</u>	<u>10,147</u>
	<u>12,037</u>	<u>30,504</u>

13 Grant Making

	£	£
Direct costs		
RE Museum fund	31,744	31,122
RE Library fund	29,057	50,795
Museum Transformation Project	35,000	40,000
Comms Hub Grant	26,250	26,250
RE Awards Dinner	6,000	6,000
	<u>128,051</u>	<u>154,167</u>
Support costs		
Insurance	245	258
Post and telephone	130	92
Staff costs	7,805	8,474
Donated service support costs	9,978	9,140
	<u>18,158</u>	<u>17,964</u>
	<u>146,209</u>	<u>172,131</u>

14 Digitisation

	£	£
Direct costs		
IT costs	3,313	46,450
Support costs		
Audit	144	131
Insurance	123	129
Post and telephone	43	31
Staff costs	33,785	5,392
Donated service support costs	5,281	4,858
Refund Previous year	(1,495)	-
	<u>37,880</u>	<u>10,541</u>
	<u>41,193</u>	<u>56,991</u>

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

15 Napier House

	Total funds 2021	Total funds 2020
	£	£
Income from charitable activities		
Rental Income	3,600	3,600
Direct costs		
Maintenance	2,679	2,569
Support costs		
Audit	144	131
Administration	50	41
Insurance	306	323
Post and telephone	43	31
Donated service support costs	4,698	4,282
Staff costs	285	244
Depreciation	174	2,269
	5,701	7,321
	8,380	9,890

16 RE Historical Society

	£	£
Income from charitable activities		
Membership	2,087	1,326
Direct costs		
Events	-	928
Publications	361	-
	361	928
Support Costs		
Audit	86	78
Administration	23	34
Insurance	61	65
Post and telephone	130	93
Staff costs	5,307	5,702
Donated service support costs	583	576
	6,191	6,548
	6,552	7,476

17 Awards

	£	£
Medals	1,848	8,790
Prizes	9,212	9,716
Refund Previous year	(525)	-
	10,535	18,506

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

18 Professional Registration

	Total Funds 2021	Total Funds 2020
	£	£
Direct costs		
Registration & Marketing	34,560	40,125
Travel & Subsistence	-	1,060
	<u>34,560</u>	<u>41,185</u>
Support costs		
Audit	691	628
Administration	1,095	337
Insurance	306	323
Post and telephone	1,513	1,078
Donated service support costs	7,962	7,508
Staff costs	<u>66,145</u>	<u>60,379</u>
	<u>77,712</u>	<u>70,253</u>
	<u>112,272</u>	<u>111,438</u>

19 Net income/expenditure

This is stated after charging:

Depreciation of tangible fixed assets:		
- owned by the charity	5,505	7,471
Auditor's remuneration	<u>2,880</u>	<u>2,617</u>

During the year, no Trustees received any remuneration (2020: £NIL).

During the year, no Trustees received any benefits in kind (2020: £NIL).

During the year, no Trustees received any reimbursement of expenses (2020: £NIL).

20 Staff costs

Staff costs were as follows:

	£	£
Wages and salaries	206,456	173,696
Social security costs	18,910	14,859
Other pension costs	16,905	14,257
	<u>242,271</u>	<u>202,812</u>

The average monthly number of employees during the year was as follows:

	No.	No.
Publications	2	2
Management and administration of the charity	5	4
	<u>7</u>	<u>6</u>

The Secretary occupies Napier House as part of his conditions of employment.

The pension cost represents amounts payable to the Corps of Royal Engineers Pension Fund, a defined contribution scheme.

The total employment benefits including employer pension contributions of the key management personnel were £71,270 (2020: £73,193).

The number of employees whose benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No	2020 No
In the band £60,001 - £70,000	1	1

Institution of Royal Engineers

**Notes to the financial statements
For the year ended 31 December 2021**

21 Tangible fixed assets

	General, IT and Office equipment £	Restricted Artefacts £	Total £
Cost			
At 1 January 2021	120,128	560,233	680,361
Additions	911	12,700	13,611
At 31 December 2021	<u>121,039</u>	<u>572,933</u>	<u>693,972</u>
Depreciation			
At 1 January 2021	(93,893)	-	(93,893)
Charge for the year	(5,505)	-	(5,505)
At 31 December 2021	<u>(99,398)</u>	<u>-</u>	<u>(99,398)</u>
Net book value			
At 31 December 2021	<u>21,641</u>	<u>572,933</u>	<u>594,574</u>
At 31 December 2020	<u>30,519</u>	<u>560,233</u>	<u>590,752</u>

22 Fixed asset investments

	General Fund £	Memorials Fund £	Total £
Market value			
At 1 January 2021	1,023,299	31,704	1,055,003
Revaluations	94,284	2,921	97,205
At 31 December 2021	<u>1,117,583</u>	<u>34,625</u>	<u>1,152,208</u>
Historical cost	<u>452,161</u>	<u>13,811</u>	<u>465,972</u>
Investments at market value comprise:		2021 £	2020 £
Listed investments		<u>1,152,208</u>	<u>1,055,003</u>

All the fixed asset investments are held in the UK.

Material investments

All invested funds were held in the Armed Forces Common Investment Fund, managed by BlackRock Investment Managers Limited.

Institution of Royal Engineers

**Notes to the financial statements
For the year ended 31 December 2021**

23 Debtors

	2021 £	2020 £
JPA Subscriptions	16,059	15,746
BlackRock	9,192	8,962
	25,251	24,708

24 Creditors:

Amounts falling due within one year

	2021 £	2020 £
Other creditors	28,335	61,095
Accruals and deferred income	2,880	2,616
	31,215	63,711

**25 Statement of funds
Current Year**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Memorials Fund	(50,996)	1,098	(10,131)	-	2,921	(57,108)
Professional Registration	17,637	59,389	(34,560)	-	-	42,466
RE Historical Society	(13,241)	2,087	(6,552)	3,000	-	(14,706)
	(46,600)	62,574	(51,243)	3,000	2,921	(29,348)
General funds						
General fund	1,238,588	406,013	(516,382)	(3,000)	94,284	1,219,503
Total Unrestricted funds	1,191,988	468,587	(567,625)	-	97,205	1,190,155
Restricted funds						
Institution Artefacts	560,233	12,700	-	-	-	572,933
Total of funds	1,752,221	481,287	(567,625)	-	97,205	1,763,088

Prior Year

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Memorials Fund	(43,920)	1,077	(9,638)	-	1,485	(50,996)
Professional Registration	11,819	47,003	(41,185)	-	-	17,637
RE Historical Society	(10,091)	1,326	(7,476)	3,000	-	(13,241)
	(42,192)	49,406	(58,299)	3,000	1,485	(46,600)
General funds						
General fund	1,355,923	395,929	(558,185)	(3,000)	47,921	1,238,588
Total Unrestricted funds	1,313,731	445,335	(616,484)	-	49,406	1,191,988
Restricted funds						
Institution Artefacts	560,233	-	-	-	-	560,233
Total of funds	1,873,964	445,335	(616,484)	-	49,406	1,752,221

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2021

26 Analysis of net assets between funds Current Year

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	21,641	572,933	594,574
Fixed asset investments	1,152,208	-	1,152,208
Current assets	47,521	-	47,521
Creditors due within one year	(31,215)	-	(31,215)
	1,190,155	572,933	1,763,088

Prior Year

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	26,235	560,233	586,468
Fixed asset investments	1,055,003	-	1,055,003
Current assets	174,461	-	174,461
Creditors due within one year	(63,711)	-	(63,711)
	1,191,988	560,233	1,752,221

27 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 £16,905 (2020: £14,257).

28 Related party transactions

All transactions with related parties are disclosed in the Trustees Report and notes to the accounts. The Institution is controlled by the Council ('the Trustees').

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

	Total funds 2021	Total funds 2020
	£	£
Net movement in funds	10,867	(121,743)
Add back depreciation charge	5,505	7,471
Deduct interest income shown in investing activities	(36,553)	(35,948)
Deduct gains / add back losses on investments	(97,205)	(49,406)
Increase / (decrease) in debtors	543	5,901
(Decrease) / increase in creditors	(32,496)	46,232
Net cash used in operating activities	(149,339)	(147,493)