

**Charity number: 249882**

**Institution of Royal Engineers**

**Trustees' report and financial statements**

**for the year ended 31 December 2024**

## **Institution of Royal Engineers**

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## **Institution of Royal Engineers**

### **Trustees' Report**

**For the year ended 31 December 2024**

The Trustees present the annual report and the audited financial statements of the Charity for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out at Note 1 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. Raise funds by way of subscriptions, donations and otherwise;
- g. Maintain Napier House, the property of the Institution;
- h. Maintain and develop professional registration with Engineering UK and the Engineering Council at Engineering Technician, Incorporated Engineer, and Chartered Engineer levels;
- i. 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 Group.

### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The Trustees confirm that they have had due regard to the guidance provided by the Charity Commission for England and Wales 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 'Designated Collection', which is owned by the Institution, is open to the general public. In addition, the Royal Engineers 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.

## Institution of Royal Engineers

### Trustees' Report (continued)

For the year ended 31 December 2024

## ACHIEVEMENTS AND PERFORMANCE

Membership levels have remained broadly in line with 2023 (currently 10,019 Members), with the total number of Fellows having now risen to 196. Army Reserve membership has consolidated at 229, and there have been gains in the number of Retired Members as individuals have completed military Service and opted to continue to be connected to the Institution. Once again, modest gains in Civilian membership numbers have been observed, primarily due to Senior Leaders reaching out and recruiting like-minded individuals willing to support the OBJECT of the Institution.

The business continuity processes, established in 2022 to mitigate the impact of any one individual staff member being unable to perform their duties, were once again tested and found to be effective and remain based on a staff pairing scheme. The Bi-Annual Update has remained popular with Members and serves to remind individuals how they are linked to the Institution and Corps of Royal Engineers, which have both been at the forefront of Military Engineering developments for centuries. In tandem, the series of quarterly social media posts have continued to provide the *body politic* a timely reminder of the breath of activity and membership benefits available. Key to the engagement strategy is proactive communications, namely to:

- a. Promote Military Engineering through activities: joint professional meetings, battlefield studies, the provision of multimedia material and the holding of debates. Support that has reminded Members of civilian Professional Registration opportunities and how to obtain said qualifications;
- b. Encourage individuals (and groups) to engage, contribute and collaborate with the Institution to achieve its OBJECT, with particular emphasis on publishing high quality articles in the Journal;
- c. Sponsor a broad range of events, conferences, symposia, and workshops able to be delivered by the Corps of Royal Engineers, whilst ensuring that key lessons from such meetings are captured and made available to as wide an audience as possible, and stored for future study; and
- d. Continue to be a fully inclusive learned body whose activities and decisions consider the requirements of all Members, including minority groups.

The Royal Engineers Museum, Library, and Archive Charity ("RE Museum") – a separately Registered Charity (Charity Number 295173) sharing the same Trustee Board and Governance documents as the Institution – has again been supported and received annual grants totaling £64.5K. The RE Museum remains on track to be converted into a Charitable Incorporated Organisation (CIO) Foundation, with a new independent Constitution and Trustee Board. The key CIO Foundation governance documents will comprise: *Constitution of the RE Museum CIO Foundation*, *Collection Loan Agreement Relating to the Loan of the Collection of the Institution of Royal Engineers*, and *Transfer Agreement Upon Incorporation*.

The Institution has continued to assess candidates for all three levels of Professional Registration (Engineer Technician, Incorporated Engineer and Chartered Engineer) under License granted by the Engineering Council. Registrant levels have again risen, with all three categories meeting their respective annual targets. The Institution continues to be proud to be able to offer Members the opportunity to attain a nationally recognised qualification, which demonstrates the professionalism and competency of Military Engineers trained at the Royal School of Military Engineering Group. The total Registrants held in December was 1586; comprising Chartered Engineers (54), Incorporated Engineers (74) and Engineering Technicians (1458).

A vibrant range of events were run by the Institution that spanned the Military Engineering spectrum. The latest chronical of the Corps' history – *The History of the Corps of Royal Engineers Volume XIII – The Years of Interventionism and the Return to Contingency* – was published. Numerous professional development activities were delivered, including a joint professional meeting with the Institution of Civil Engineers to debate *Protecting Critical National Infrastructure*, a second venture with National Highways that, this time, discussed *Lessons from Genoa – Managing the United Kingdom's Specialist Cable Support Bridges*, and an inaugural meeting held with the Society of American Military Engineers and Industry (Ramboll, Jacobs, Stantec, Mott MacDonald, Tetra Tech, Centrica, Willmott Dixon, AECOM) to consider the *Technical Challenges of Airfield Engineering*. The Military Engineering and Innovation Prize produced high-quality articles for the Journal, the Institution continued to award prizes in recognition of Military Engineering excellence, and the Royal Engineers Historical Society once again sponsored a series of highly informative and educational webinars.

## **Institution of Royal Engineers**

### **Trustees' Report (continued)**

**For the year ended 31 December 2024**

## **FINANCIAL REVIEW**

### **Investment House & Policy**

All Institution investments have been, since 2002, managed by BlackRock as part of the Armed Forces Charities Growth & Income Fund (formerly the Armed Forces Common Investment Fund).

The Objective of the Fund is unchanged and seeks to provide a return on investment (net of fees) over a period of 5 or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. The Fund has a flexible approach to asset allocation and seeks to achieve its investment objective through a variety of asset classes. The Fund is actively managed, and this may vary without limitation depending on market conditions and other factors at the Investment Manager's (IM) discretion in accordance with the Fund's investment policy.

### **Investment Performance**

Investments delivered dividends of £41,364 in 2024 (2023: £39,298). During the period 1 January to 31 December 2024, the performance of the distribution units in the fund was +8.1% (2023: +4.3%) after fees and expenses. Since launch in September 2002, the fund has produced a return of +338.27% cumulative, +6.8% annual (2023: +305.5% cumulative, +6.8% annual). The fund's benchmark since inception has returned +400.0% cumulative and +7.5% annual.

### **Reserves Policy**

The Reserves Policy remains unchanged; to maintain at least 12 months operating costs in reserve. The Institution's current unrestricted reserves are £1,095,752 (2023: £1,013,954) which Trustees consider is consistent with this policy. Current restricted reserves are £572,933 (2023: £572,933).

### **Fund Designation**

The component funds of the Institution are:

- a. General Fund (Unrestricted Fund).
- b. Memorial 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 £12,168 (2023: £10,119).

### **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.

## **Institution of Royal Engineers**

### **Trustees' Report (continued) For the year ended 31 December 2024**

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; and
- 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 disbursement 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 income before other recognised gains and losses was £39,183 (2023: Net income £14,534). Net gains on investment were £42,615 (2023: Net gains £2,910)

### **Balance Sheet**

The accumulated funds increased by £81,798 to £1,668,685 (2023: increased by £17,444 to £1,586,887).

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

## **PLANS FOR THE FUTURE**

### **Membership**

Membership plans for the future remain threefold.

#### **a. Communications.**

- (1) Further refine digital processes that have enhanced membership engagement, by conducting an annual Members' Survey, focusing the in-place Bi-Annual Update, leveraging quarterly social media feeds and undertaking email push notifications to inform Members.
- (2) Continuing to expand website content, improving user experience, and building up content, in order to create a world-class Knowledge Centre for Military Engineering.
- (3) Exploiting social media, *inter alia*, LinkedIn, X, Facebook, and YouTube, to keep Members informed of current, and future, Military Engineering advancements.
- (4) Publishing high-quality products, namely the Journal, its Supplement, and special periodicals, to allow the membership to keep abreast of innovation in Military Engineering.

## **Institution of Royal Engineers**

### **Trustees' Report (continued)**

**For the year ended 31 December 2024**

#### **b. Professional Development.**

- (1) Emphasising the many benefits of Professional Registration to grow the number of qualified Engineering Technician, Incorporated Engineer and Chartered Engineer registrants.
- (2) Championing Engineering Council standards, enabled by the sustained work of the Professional Registration Committee.
- (3) Continuing to offer a blend of virtual and live activities to enable Members to strengthen individual professional networks and connect to as wide a *diaspora* as possible.

#### **c. Support.**

- (1) Promoting fellowship – the highest class of elected membership – whilst ensuring individuals have demonstrated exceptional commitment to the Institution and Corps of Royal Engineers and to the advancement of the art and science of Military Engineering.
- (2) Continuing to reach out into the Veteran, Army Reserve and overseas Land Forces engineer communities to promote the many benefits that the Institution is able to provide.
- (3) Reminding Members of the status afforded by His Majesty's Revenue and Customs as a recognised and accredited professional body.

## **Education**

Educational development initiatives continue to cover a wide spectrum, including:

- a. Tri-annually publishing high quality Journal articles to inform, highlight innovation, share knowledge, and promote debate, for the advancement of art and science of Military Engineering.
- b. Facilitating the production of the Corps Historian's *Annual Report to the Corps*, set up to collate material, chronicle the Corps' contributions, and record the key role played supporting Defence and national security, in order to support the production of the next volume of Corps History.
- c. Championing the annual flagship joint professional meeting between the Institution of Civil Engineers and the Institution of Royal Engineers.
- d. Finding further new opportunities to work collaboratively with other professional bodies and learned societies.
- e. Celebrating the attainment of individual academic and Military Engineering excellence through the award of prizes that recognise personal success and professional development.
- f. Promoting the use of the Pasley Research Centre and James Forbes Exhibition Gallery within the RE Museum, which continues to provide world-class Archive and Library resources to support analysis and learning.
- g. Expanding Royal Engineers Historical Society membership.
- h. Advertising the historic Military Engineering 'Designated Collection', recognised for its outstanding national importance.

## **Governance**

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

## **Institution of Royal Engineers**

### **Trustees' Report (continued) For the year ended 31 December 2024**

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

The Institution's Secretariat comprises a Chief Executive, Treasurer, four other full-time employees and one part-time employee.

##### **TRUSTEES**

The Trustees who served during the year are detailed on page 8.

##### **Appointment of Trustees**

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

##### **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 with online training. 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 of England and Wales 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.



## **Institution of Royal Engineers**

### **Trustees' Report (continued)**

**For the year ended 31 December 2024**

#### **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 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 RE Museum has been registered, with the approval of the Charity Commission of England and Wales, 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 RE 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.

#### **RISK STATEMENT**

The Risk Register was reviewed during 2024 by the Chair FAC and Council. Trustees continue to be satisfied that adequate systems are in place to mitigate all the risks identified, the principal ones remaining:

- a. **Business plan not deliverable or able to deliver on agreed priorities.** Trustees continue to ameliorate the said risk 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 Charities Growth & Income Fund, and by receiving professional, independent investment management advice.
- b. **Lose the ability to register Members within the provision of the License granted by the Engineering Council.** Whilst the probability of such an occurrence continues to be assessed as low, Trustees have again designated the maintenance of the License a high priority. Mitigation measures include developing further resilience within the Volunteer Peer Group, conducting training on a training needs analysis basis, and monitoring internal and external perception, adapting as required, in order to deliver sustained improvement.
- c. **Governance structures become inappropriate or fail, particularly relevant during the migration to the RE Museum CIO Foundation.** Trustees have remained fully involved in the decision-making processes to ensure alignment between the Institution and the new RE Museum CIO Foundation governance arrangements, directed that the Engineering Council Privy Council & Governance Panel be consulted throughout the change programme, have been actively engaged in the development of a new *Constitution of the RE Museum CIO Foundation*, *Collection Loan Agreement Relating to the Loan of the Collection of the Institution of Royal Engineers*, and *Transfer Agreement Upon Incorporation* key governance documents, and have ensured that the specialist legal advice has been sought. The new mitigation measure has been retained within the Risk Register to ensure sufficient representation on the new RE Museum CIO Foundation Governance Board to allay the risk of divergence from Corps and wider Sapper Family aims. Trustees have also ensured that there continues to be appropriate representation at Council and on all 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 2024**

#### **Trustees**

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

##### **President**

Major General N J Cavanagh CB	2018	Re-elected December 2023
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##### **Vice Presidents**

Major General D W Southall CBE	2020	
Brigadier R C Brown CBE	2019	Completion of tenure 2024
Brigadier P T Quaite OBE	2024	Elected at AGM 2024
Brigadier J D Webster	2023	Elected at AGM 2024
Colonel J L Prichard KVRM*	2020	

##### **Members**

###### *Ex Officio*

Comd 8 Engr Bde	Brigadier S J Carvel	July 2023
Comd 25 (CS) Engr Gp	Colonel S J Graham	January 2024
Dep Hd Plans NCGI and CRE (Geo)	Colonel P M Hammett	Completion of tenure 2024
	Colonel A J Harris	November 2024
Corps Colonel	Colonel R B Hawkins MBE ADC	November 2022
Corps Colonel Army Reserves	Colonel A J Cooper QVRM TD	November 2023
Corps Sergeant Major	WO1 S W A Eardley*	June 2023

###### *Co-opted*

Major General R A M S Melvin CB OBE	2016	Completion of tenure 2024
Major General C L Wilkes CB CBE	2024	June 2024
Lieutenant Colonel S F Scullion	2016	Completion of tenure 2024
Captain P W Brazier	2024	April 2024

##### **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 2024**

#### **Principal Office**

Regimental Headquarters Royal Engineers  
Brompton Barracks  
Chatham  
Kent ME4 4UG

#### **Independent Auditor**

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

#### **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

Approved by the Trustees  
and signed on behalf of the Trustees



**Mr J D Acornley**  
Chief Executive

**3rd April 2025**

**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 2024 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 2024 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 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.

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*

Samantha Rouse FCCA DChA  
for and on behalf of  
Kreston reeves LLP  
Chartered Accountants  
Statutory Auditor  
Chatham Maritime

Date: 4 April 2025

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 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
<b>Income and endowments from:</b>					
Donations and Legacies	3	543,619	-	543,619	511,518
Other Trading Activities	7	12,215	-	12,215	2,573
Investments	8	41,656	-	41,656	39,298
Charitable Activities	15/16	8,007	-	8,007	7,288
<b>Total income</b>		<b>605,497</b>	<b>-</b>	<b>605,497</b>	<b>560,677</b>
<b>Expenditure on:</b>					
Raising Funds	7	2,710	-	2,710	20,189
Charitable Activities	9	563,604	-	563,604	525,954
<b>Total expenditure</b>		<b>566,314</b>	<b>-</b>	<b>566,314</b>	<b>546,143</b>
<b>Net expenditure before revaluations</b>		<b>39,183</b>	<b>-</b>	<b>39,183</b>	<b>14,534</b>
Net gains / (losses) on revaluations of investment assets	22	42,615	-	42,615	2,910
<b>Net movement in funds for the year</b>		<b>81,798</b>	<b>-</b>	<b>81,798</b>	<b>17,444</b>
Total funds at 1 January 2024		1,013,954	572,933	1,586,887	1,569,443
<b>Total funds at 31 December 2024</b>		<b>1,095,752</b>	<b>572,933</b>	<b>1,668,685</b>	<b>1,586,887</b>

The Statement of financial activities includes all gains and losses in the year.

All activities relate to continuing operations.

The notes on pages 17 to 29 form part of these financial statements.



# Institution of Royal Engineers

Balance sheet  
as at 31 December 2024  
Charity Number: 249882

	Note	£	2024 £	£	2023 £
<b>Fixed assets</b>					
Tangible assets	21		587,037		588,418
Investments	22		1,037,029		994,414
			<u>1,624,066</u>		<u>1,582,832</u>
<b>Current assets</b>					
Debtors	23	42,527		33,308	
Cash at bank		29,619		25,127	
		<u>72,146</u>		<u>58,435</u>	
<b>Creditors: amounts falling due within one year</b>	24	(27,527)		(54,380)	
<b>Net current assets</b>			<u>44,619</u>		<u>4,055</u>
<b>Net Assets</b>			<u>1,668,685</u>		<u>1,586,887</u>
<b>Charity Funds</b>					
Restricted funds	25		572,933		572,933
Unrestricted funds	25		1,095,752		1,013,954
<b>Total funds</b>			<u>1,668,685</u>		<u>1,586,887</u>

The financial statements were approved by the Trustees on 3 Apr 25 and signed on their behalf, by:



Brigadier J D Webster, Trustee



Colonel R B Hawkins MBE ADC, Trustee

The notes on pages 17 to 29 form part of these financial statements.

**Institution of Royal Engineers**

**Statement of Cash Flows**

**For the year ended 31 December 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
<b>Net cash used in operating activities</b>	<b>29</b>	<b>37,164</b>	<b>(47,826)</b>
<b>Cash flows from investing activities</b>			
Interest and dividends		41,656	39,298
Purchase of tangible fixed assets		-	-
<b>Cash provided by investing activities</b>		<b>41,656</b>	<b>39,298</b>
<b>Cash used in financing activities</b>			
Increase (decrease) in cash and cash equivalents in the year		4,492	(7,739)
Cash and cash equivalents at the beginning of the year		25,127	32,866
<b>Total cash and cash equivalents at the end of the year</b>		<b>29,619</b>	<b>25,127</b>

**Analysis of changes in net debt**

	<b>At 1 Jan 2024 £</b>	<b>Cashflows £</b>	<b>At 31 Dec 2024 £</b>
<b>Cash and cash equivalents</b>			
Cash	25,127	4,492	29,619

## **Institution of Royal Engineers**

### **Notes to the financial statements**

**For the year ended 31 December 2024**

#### **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 (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.

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).

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 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 2024**

#### **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 £1,000 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. Prepayments are valued at the amount prepaid.

## **Institution of Royal Engineers**

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

#### **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

#### **2.16 Taxation**

Institution of Royal Engineers is a registered charity and accordingly no provision is considered necessary for taxation.

#### **2.17 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience 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.

# **Institution of Royal Engineers**

## **Notes to the financial statements**

**For the year ended 31 December 2024**

		<b>Total funds 2024</b>	<b>Total funds 2023</b>
		<b>£</b>	<b>£</b>
<b>3 Donations and Legacies</b>			
Subscriptions	(Note 4)	<b>393,137</b>	363,639
Grants	(Note 5)	<b>3,500</b>	3,500
Registration fees		<b>77,919</b>	80,016
Donations		<b>1,273</b>	830
Donated assets		-	-
Donated services and facilities	(Note 6)	<b>67,790</b>	63,533
		<b>543,619</b>	<b>511,518</b>

Income from donations and legacies was all unrestricted in 2024 and 2023.

## **4 Subscriptions**

	<b>£</b>	<b>£</b>
Regular officers	<b>145,489</b>	132,666
Other members	<b>99,108</b>	91,159
Serving soldiers	<b>60,505</b>	65,983
Members of the Reserve	<b>11,193</b>	12,909
Tax refund	<b>24,921</b>	16,911
Fellowship	<b>9,600</b>	8,903
Eng Tech	<b>33,045</b>	31,092
I Eng	<b>6,943</b>	2,464
C Eng	<b>2,333</b>	1,552
	<b>393,137</b>	<b>363,639</b>

## **Support Costs**

Audit	<b>1,341</b>	1,225
Insurance	<b>203</b>	260
Administration	<b>3,900</b>	1,708
Depreciation	<b>781</b>	174
Post and telephone	<b>1,995</b>	1,904
Donated services support costs	<b>10,117</b>	9,543
Staff costs	<b>67,006</b>	65,484
	<b>85,343</b>	<b>80,298</b>
	<b>307,794</b>	<b>283,341</b>

## **5 Grants**

	<b>£</b>	<b>£</b>
Officer Cadet prize fund	<b>3,500</b>	3,500

## **Institution of Royal Engineers**

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

	<b>Total funds 2024</b>	<b>Total funds 2023</b>
<b>6 Donated services and facilities</b>	<b>£</b>	<b>£</b>
Gas	1,870	1,845
Electricity	2,189	2,103
Water and sewage	886	849
Community charge	5,915	5,686
Administrative utilities	1,523	1,505
Administrative salaries	55,408	51,545
	<b>67,790</b>	<b>63,533</b>

### **7 Trading Activities**

	<b>£</b>	<b>£</b>
<b>Income</b>		
Publication sales	<b>12,215</b>	<b>2,573</b>
	<b>£</b>	<b>£</b>
<b>Expenditure</b>		
Corps History	<b>2,710</b>	<b>20,189</b>

All income and expenditure on trading activities was unrestricted in 2024 and 2023.

### **8 Investment Income**

	<b>£</b>	<b>£</b>
Dividends	40,121	38,115
Dividends - Memorial Fund	1,243	1,181
Bank interest	292	3
	<b>41,656</b>	<b>39,298</b>

All investment income in 2024 and 2023 was unrestricted.

# Institution of Royal Engineers

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

### 9 Analysis of Expenditure by activities

		Direct costs	Support costs	Total funds	Total funds
		2024	2024	2024	2023
		£	£	£	£
Subscriptions	(Note 4)	-	85,343	85,343	80,298
Publications	(Note 10)	56,300	71,450	127,750	112,743
Maintain Memorials	(Note 11)	-	12,168	12,168	10,119
Professional Effectiveness	(Note 12)	14,705	10,922	25,627	19,237
Grant making	(Note 13)	86,924	21,651	108,575	106,204
Digitisation	(Note 14)	3,324	45,756	49,080	46,596
Napier House	(Note 15)	772	7,200	7,972	7,019
RE Historical Society	(Note 16)	862	5,137	5,999	7,198
Awards	(Note 17)	20,885	-	20,885	12,629
Professional Registration	(Note 18)	37,447	82,758	120,205	123,911
		<b>221,219</b>	<b>342,385</b>	<b>563,604</b>	<b>525,954</b>

All expenditure on charitable activities in 2024 and 2023 was unrestricted.

### 10 Publications

	£	£
<b>Direct costs</b>		
Distribution costs	26,371	21,754
Publications	29,929	25,571
	<b>56,300</b>	<b>47,325</b>
<b>Support costs</b>		
Audit	1,341	1,225
Administration	3,296	1,088
Insurance	203	260
Post and telephone	749	714
Computer support costs	3,928	4,100
Staff costs	52,885	49,468
Donated service support costs	8,448	7,948
Depreciation	600	615
	<b>71,450</b>	<b>65,418</b>
	<b>127,750</b>	<b>112,743</b>

### 11 Maintain Memorials

	£	£
<b>Direct costs</b>		
Refund From Previous Year Activities	-	(1,068)
	-	(1,068)
<b>Support costs</b>		
Audit	231	211
Administration	462	36
Post and telephone	50	48
Insurance	217	278
Staff costs	4,494	4,345
Donated service support costs	6,714	6,269
	<b>12,168</b>	<b>11,187</b>
	<b>12,168</b>	<b>10,119</b>



# **Institution of Royal Engineers**

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

	<b>Total funds 2024</b>	<b>Total funds 2023</b>
	<b>£</b>	<b>£</b>
<b>12 Professional Effectiveness</b>		
<b>Direct costs</b>		
RUSI / Inst Conference	-	-
JPMs	8,165	7,155
Fellow Event	4,955	781
Focusses Symposium	-	180
Sponsored Symposia	1,185	500
Other in Year Opportunities	400	-
	<b>14,705</b>	<b>8,616</b>
<b>Support Costs</b>		
Insurance	87	111
Post and telephone	50	48
Wolfe Society Subscription	6	6
Staff costs	4,065	4,187
Donated service support costs	6,714	6,269
	<b>10,922</b>	<b>10,621</b>
	<b>25,627</b>	<b>19,237</b>
<b>13 Grant Making</b>		
	<b>£</b>	<b>£</b>
<b>Direct costs</b>		
RE Museum fund	64,524	63,257
Comms Hub Grant	20,000	20,000
RE Awards Dinner	2,400	2,400
	<b>86,924</b>	<b>85,657</b>
<b>Support costs</b>		
Insurance	174	222
Post and telephone	150	143
Staff costs	8,519	8,243
Donated service support costs	12,808	11,939
	<b>21,651</b>	<b>20,547</b>
	<b>108,575</b>	<b>106,204</b>
<b>14 Digitisation</b>		
	<b>£</b>	<b>£</b>
<b>Direct costs</b>		
IT costs	3,324	4,120
<b>Support costs</b>		
Audit	231	211
Insurance	87	111
Post and telephone	50	48
Staff costs	38,674	35,837
Donated service support costs	6,714	6,269
	<b>45,756</b>	<b>42,476</b>
	<b>49,080</b>	<b>46,596</b>

**Institution of Royal Engineers**

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

	<b>Total funds 2024</b>	<b>Total funds 2023</b>
	<b>£</b>	<b>£</b>
<b>15 Napier House</b>		
<b>Income from charitable activities</b>		
Rental Income	<u>3,600</u>	<u>3,600</u>
<b>Direct costs</b>		
Maintenance	<u>772</u>	<u>631</u>
<b>Support costs</b>		
Audit	231	211
Administration	462	36
Insurance	218	278
Post and telephone	50	48
Donated service support costs	6,095	5,670
Staff costs	144	145
Depreciation	-	-
	<u>7,200</u>	<u>6,388</u>
	<u>7,972</u>	<u>7,019</u>
<b>16 RE Historical Society</b>		
	<b>£</b>	<b>£</b>
<b>Income from charitable activities</b>		
Membership	<u>4,407</u>	<u>3,688</u>
<b>Direct costs</b>		
Publications	<u>862</u>	<u>1,964</u>
<b>Support Costs</b>		
Audit	139	127
Administration	22	22
Insurance	43	56
Post and telephone	150	143
Staff costs	4,164	4,287
Donated service support costs	619	599
	<u>5,137</u>	<u>5,234</u>
	<u>5,999</u>	<u>7,198</u>
<b>17 Awards</b>		
	<b>£</b>	<b>£</b>
Medals	11,162	2,534
Prizes	9,723	11,445
Refund from Previous Years	-	(1,350)
	<u>20,885</u>	<u>12,629</u>

# Institution of Royal Engineers

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

	Total Funds 2024	Total Funds 2023
	£	£
<b>18 Professional Registration</b>		
Direct costs		
Registration & Marketing	37,447	44,493
Support costs		
Audit	1,110	1,014
Administration	3,221	887
Insurance	217	278
Post and telephone	1,747	1,666
Donated service support costs	9,562	9,027
Staff costs	66,901	66,546
	82,758	79,418
	120,205	123,911

## 19 Net income/expenditure

This is stated after charging:

Depreciation of tangible fixed assets:

- owned by the charity

Auditor's remuneration

2,170	(789)
4,554	4,224

During the year, no Trustees received any remuneration (2023: £NIL).

During the year, no Trustees received any benefits in kind (2023: £NIL).

During the year, no Trustees received any reimbursement of expenses (2023: £NIL).

## 20 Staff costs

Staff costs were as follows:

	£	£
Wages and salaries	211,145	202,453
National Insurance	15,725	17,494
Pension costs	19,981	18,594
	246,851	238,541

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

	No.	No.
Publications	2	2
Management and administration of the charity	13	13
	15	15

The average headcount expressed as full-time equivalents was:

	No.	No.
Publications	2	2
Management and administration of the charity	5	5
	7	7

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 £75,576 (2023: £73,052).

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

	2024 No	2023 No
In the band £70,001 - £80,000	1	1

## Institution of Royal Engineers

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

#### 21 Tangible fixed assets

	General, IT and Office equipment £	Restricted Artefacts £	Total £
<b>Cost</b>			
At 1 January 2024 (restated)	18,700	572,933	591,633
At 31 December 2024	<u>18,700</u>	<u>572,933</u>	<u>591,633</u>
<b>Depreciation</b>			
At 1 January 2024 (restated)	(3,215)	-	(3,215)
Charge for the year	(1,381)	-	(1,381)
At 31 December 2024	<u>(4,596)</u>	<u>-</u>	<u>(4,596)</u>
<b>Net book value</b>			
At 31 December 2024	<u>14,104</u>	<u>572,933</u>	<u>587,037</u>
At 31 December 2023	<u>15,485</u>	<u>572,933</u>	<u>588,418</u>

#### 22 Fixed asset investments

	General Fund £	Memorials Fund £	Total £
<b>Market value</b>			
At 1 January 2024	964,531	29,883	994,414
Revaluations	41,334	1,281	42,615
At 31 December 2024	<u>1,005,865</u>	<u>31,164</u>	<u>1,037,029</u>
<b>Historical cost</b>	<u>452,161</u>	<u>13,811</u>	<u>465,972</u>
<b>Investments at market value comprise:</b>		2024	2023 £
Listed investments		<u>1,037,029</u>	<u>994,414</u>

All the fixed asset investments are held in the UK.

#### Material investments

All invested funds were held in the Armed Forces Charities Growth & Income Fund, managed by Black Rock Investment Managers Limited.

# Institution of Royal Engineers

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

### 23 Debtors

	2024 £	2023 £
JPA Subscriptions	17,743	16,954
BlackRock	10,341	9,584
Other Debtors	14,443	6,770
	<u>42,527</u>	<u>33,308</u>

### 24 Creditors:

#### Amounts falling due within one year

	2024 £	2023 £
Other creditors	20,500	50,156
Accruals and deferred income	7,027	4,224
	<u>27,527</u>	<u>54,380</u>

### 25 Statement of funds

Current Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Memorials Fund	(81,243)	1,243	(12,168)	0	1,281	(90,887)
Professional Registration	185,963	120,240	(37,447)	0	0	268,756
RE Historical Society	(24,041)	4,407	(5,999)	0	0	(25,633)
	<u>80,679</u>	<u>125,890</u>	<u>(55,614)</u>	<u>0</u>	<u>1,281</u>	<u>152,236</u>
<b>General funds</b>						
General fund	933,275	479,607	(510,700)	0	41,334	943,516
<b>Total Unrestricted funds</b>	<u>1,013,954</u>	<u>605,497</u>	<u>(566,314)</u>	<u>0</u>	<u>42,615</u>	<u>1,095,752</u>
<b>Restricted funds</b>						
Institution Artefacts	572,933	0	0	0	0	572,933
<b>Total of funds</b>	<u>1,586,887</u>	<u>605,497</u>	<u>(566,314)</u>	<u>-</u>	<u>42,615</u>	<u>1,668,685</u>
<b>Prior Year</b>						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Memorials Fund	(72,392)	1,181	(10,119)	-	87	(81,243)
Professional Registration	115,332	115,124	(44,493)	-	-	185,963
RE Historical Society	(20,531)	3,688	(7,198)	-	-	(24,041)
	<u>22,409</u>	<u>119,993</u>	<u>(61,810)</u>	<u>-</u>	<u>87</u>	<u>80,679</u>
<b>General funds</b>						
General fund	974,101	440,684	(484,333)	-	2,823	933,275
<b>Total Unrestricted funds</b>	<u>996,510</u>	<u>560,677</u>	<u>(546,143)</u>	<u>-</u>	<u>2,910</u>	<u>1,013,954</u>
<b>Restricted funds</b>						
Institution Artefacts	572,933	-	-	-	-	572,933
<b>Total of funds</b>	<u>1,569,443</u>	<u>560,677</u>	<u>(546,143)</u>	<u>-</u>	<u>2,910</u>	<u>1,586,887</u>

## Institution of Royal Engineers

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

#### 26 Analysis of net assets between funds

Current Year	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Tangible fixed assets	14,104	572,933	587,037
Fixed asset investments	1,037,029	-	1,037,029
Current assets	72,146	-	72,146
Creditors due within one year	(27,527)	-	(27,527)
	<b>1,095,752</b>	<b>572,933</b>	<b>1,668,685</b>
Prior Year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Tangible fixed assets	15,485	572,933	588,418
Fixed asset investments	994,414	-	994,414
Current assets	58,435	-	58,435
Creditors due within one year	(54,380)	-	(54,380)
	<b>1,013,954</b>	<b>572,933</b>	<b>1,586,887</b>

#### 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 £19,981 (2023: £18,594).

#### 28 Related party transactions

Brigadier James Webster, Colonel Richard Bouke Hawkins MBE ADC, Colonel Alastair James Cooper QVRM TD, Brigadier Simon John Carvel and Major General David W Southall CBE, Trustees of the Institution of Royal Engineers are also Trustees of the Royal Engineers Central Charitable Trust (RECCT) for which transactions have taken place during the year. During the year RECCT collected subscription income on behalf of the Institution of Royal Engineers totalling £443,079, and gift aid of £16,983 which was transferred during the year. A further £276 of other donations and sundry charges were also transferred. As of 31 December 2024 no balance was owed from RECCT (2023: £nil).

During the year the Institution of Royal Engineers also reimbursed £80,107 to RECCT for recharges relating to salaries and pensions, postage, and other admin costs. As of 31 December 2024 a balance of £23 was owed to RECCT (2023: £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 £71,894, as well as sundry recharges of £83. As of 31 December 2024 no balance was owed to The Royal Engineers Museum (2023: £nil).

The Royal Engineers Museum reimbursed £477,262 to the Institution of Royal Engineers relating to salaries and pensions charges. As of 31 December 2024 no balance was owed by The Royal Engineers Museum (2023: £nil).

Brigadier James Webster and Colonel Richard Bouke Hawkins MBE ADC, Trustees of the Institution of Royal Engineers are also Trustees of the Royal Engineers Headquarter Mess (RE HQ Mess) for which transactions have taken place during the year. The Institution of Royal Engineers collected subscription income on behalf of the RE HQ Mess totalling £25 which was transferred during the year. As of 31 December 2024 no balance was owed to RQ HQ Mess.

Brigadier James Webster and Corps SM Spencer William Arnold Eardley, Trustees of the Institution of Royal Engineers are also Trustees of the Royal Engineers Association (REA) for which transactions have taken place during the year. The Institution of Royal Engineers paid over donations of £280 to the REA which were transferred during the year. As of 31 December 2024 no balance was owed to the REA.

The REA was also recharged expenses paid for by the Institution of Royal Engineers of £175, which was transferred during the year. As of 31 December 2024 no balance was owed by the REA.

**Institution of Royal Engineers**

**Notes to the financial statements**

**For the year ended 31 December 2024**

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

	<b>Total funds 2024</b>	<b>Total funds 2023</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>81,798</b>	17,444
Add back depreciation charge	<b>1,381</b>	-
Deduct interest income shown in investing activities	<b>(41,656)</b>	(39,298)
Deduct gains / add back losses on investments	<b>(42,615)</b>	(2,910)
(Increase) / decrease in debtors	<b>(9,219)</b>	(7,428)
(Decrease) / increase in creditors	<b>(26,853)</b>	(15,634)
<b>Net cash used in operating activities</b>	<b><u>(37,164)</u></b>	<b><u>(47,826)</u></b>