

**Charity number: 249882**

## **Institution of Royal Engineers**

**Trustees' report and financial statements**

**for the year ended 31 December 2025**

## **Institution of Royal Engineers**

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## **Institution of Royal Engineers**

### **Trustees' Report**

**For the year ended 31 December 2025**

The Trustees present the annual report and the audited financial statements of the Charity for the year ended 31 December 2025. 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 Royal 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 2025), 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 *The Royal Engineers Journal*, and its Supplement, to promote education and to disseminate information and advice;
- b. Maintain and develop a Museum, Library and Archive;
- c. Own a 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, professional bodies, and learned societies;
- 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 United Kingdom and 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 Charitable Incorporated Organisation Foundation, 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 Corps of 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 Corps of 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 2025

## ACHIEVEMENTS AND PERFORMANCE

Membership levels have remained on par with previous years at just over 10,000. The number of Members attaining fellowship grew again, with 208 Fellows now held that represented a c6% increase. Work also continued to amplify the benefits of membership to the Army Reserve to encourage a greater proportion to join, together with engaging like-minded engineers from overseas Land Forces. Social media avenues were further exploited to reconnect with those who have completed military Service.

Across the year the Institution looked to find ways to broaden appeal and strengthen the 'offer' to the *body politic*, the Corps of Royal Engineers and wider Military Engineering community. Communication has been central to raising the level of understanding of Military Engineering and professionalism. The biannual update again proved popular, together with *The Royal Engineers Journal* and periodicals. On 22 May 2025, the Institution celebrated the 150th anniversary of its establishment as The Institute of Royal Engineers. A commemorative edition of *The Royal Engineers Journal* was produced to mark that important milestone that looked back over the last 150 years and re-published a series of seminal articles, selected by the Corps Historian and Editor, that promoted innovation, introduced new technologies or tactics, and that had been particularly influential or have been written by iconic Royal Engineers. The Institution continued to:

- a. Promote Military Engineering through activities: joint professional meetings, battlefield studies, the provision of multimedia material and the holding of debates. Provided support that 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. 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 (Registered Charity Number 295173) was placed into suspended animation at midnight 31 January 2025, with a Transfer of Assets made at 00.01 on 1 February 2025 into The Royal Engineers Museum Charitable Incorporated Organisation (CIO) Foundation (Registered Charity Number 1211021). The title of the Collection, together with all associated artefacts, was fully retained by the Institution (including any new items acquired) under a formal Loan Agreement between the Royal Engineers Museum CIO Foundation and Institution. The Loan Agreement remains expressly for the loan, care, and development of the Collection, as amended from time to time, as described by the OBJECT of the Royal Engineers Museum CIO Foundation. The Lease of BR200 The Ravelin Building, Building 300 (Block 40), Building 301 (Block 38), and Building 302 (Block 39) was not transferred and remains an agreement between the Secretary of State for Defence (c/o Defence Infrastructure Organisation) and Institution. The new Royal Engineers Museum CIO Foundation subsequently received annual grants totaling £65.8K.

The Institution has continued to operate under License from the Engineering Council to assess candidates for Engineer Technician, Incorporated Engineer and Chartered Engineer. The total Registrants held in December was 1576; comprising Chartered Engineers (51), Incorporated Engineers (68) and Engineering Technicians (1457).

A diverse Member Services Programme was delivered that encompassed the full range of Military Engineering, including *Managing Machine Learning to Deliver Artificial Intelligence and Improvements in Safety and Efficiency*, reviewing lessons from the *Francis Scott Key Bridge Collapse*, considering *How has the engineering community come together in times of national need?* as well as meeting with Industry Partners to debate the engineering demands of *Lines of Communication*. In addition, the Military Engineering and Innovation Prize produced a raft of world-class articles for publication, and a number of annual prizes were once again sponsored that rewarded the attainment of Military Engineering excellence, with the Royal Engineers Historical Society maintaining its series of extremely popular and informative monthly webinars.

## **Institution of Royal Engineers**

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

**For the year ended 31 December 2025**

## **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 £44,121 in 2025 (2024: £41,364). During the period 1 January to 31 December 2025, the performance of the distribution units in the fund was +12.8% (2024: +8.1%) after fees and expenses.

### **Reserves Policy**

The Reserves Policy remains unchanged; to maintain at least 12 months operating costs in reserve and an additional element to mitigate against the withdrawal of MoD donated assets. The total reserves figure is therefore assessed as c£600K. The Institution's current free reserves are £931,166 (2024: £929,412) which Trustees consider is consistent with this policy. Current restricted reserves are £572,933 (2024: £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).
- e. Institution Artefacts (Restricted Fund).
- f. Officer Cadet Prize Fund (Restricted 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 £5,289 (2024: £5,454).

### **Accounts**

The Trustees confirm that the accounts comply with the current statutory requirements and with the requirements of the Institution's Royal 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 2025**

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 £47,851 (2024: Net income £39,183). Net gains on investment were £86,307 (2024: Net gains £42,615)

### **Balance Sheet**

The accumulated funds increased by £134,158 to £1,802,843 (2024: increased by £81,798 to £1,668,685).

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

## **PLANS FOR THE FUTURE**

### **Membership**

Membership plans continue to be based upon three pillars.

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

- (1) Strengthening membership engagement through the annual 'Pulse Survey' and biannual update, whilst informing Members of the latest developments within Military Engineering specifically, and the wider engineering sector more generally.
- (2) Enhancing further the content of the Institution website, whilst refining the user experience, to create a *one-stop-shop* Military Engineering portal.
- (3) Publishing world-class articles in *The Royal Engineers Journal*, and special periodicals, to inform the *body politic* about advancements in Military Engineering.
- (4) Reminding serving military Members of the Engineering Professional Recognition Award intended to reward individuals and support the broader drive to professionalise the workforce across Defence.

## **Institution of Royal Engineers**

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

**For the year ended 31 December 2025**

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

- (1) Offering a 'mix' of virtual and live events that allow Members to strengthen further individual professional networks, whilst connecting to a wide *diaspora*.
- (2) Promoting Professional Registration at each level to expand the number of Engineering Technician, Incorporated Engineer and Chartered Engineer registrants.
- (3) Upholding Engineering Council standards through the enabling work of the sustained Professional Registration Committee.

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

- (1) Mentoring Members who pursue fellowship in recognition of an exceptional commitment to the Institution, the Corps of Royal Engineers, and advancement of the art and science of Military Engineering.
- (2) Reaching out further into *The Staff Corps*, Veteran, Army Reserve, and overseas Land Forces engineer fraternities, to promote the many benefits of joining the Institution.
- (3) Maintaining the status afforded by His Majesty's Revenue and Customs as a recognised and accredited professional body.

## **Education**

Educational development initiatives to include:

- a. Publishing *The Royal Engineers Journal* tri-annually, therein disseminating first-class articles intended to widen perspectives, celebrate innovation, impart knowledge, and promote debate appropriate to the advancement of said art and science of Military Engineering.
- b. Supporting the collation of the Corps Historian's *Annual Report to the Corps* established to capture material, chronical the Corps' contributions to national security, and record key activities, which will eventually be recorded formally in the next volume of Corps History.
- c. Promoting the annual flagship joint professional meeting between the Institution of Civil Engineers and the Institution of Royal Engineers.
- d. Investigating new opportunities to work collaboratively with other Institutions, professional bodies and learned societies.
- e. Rewarding Members for individual academic and Military Engineering excellence through the sponsorship of appropriate prizes and awards to celebrate and acknowledge success.
- f. Championing both the Pasley Research Centre and James Forbes Exhibition Gallery resources within the Royal Engineers Museum, that provide access to a top-notch Archive and Library resource made available to support continuous personal development.
- g. Increasing further Royal Engineers Historical Society membership.
- h. Publicising the historic Military Engineering 'Designated Collection', which has been recognised as one of 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 Royal Charter and Bye-laws approved by Trustees.

## **Institution of Royal Engineers**

### **Trustees' Report (continued) For the year ended 31 December 2025**

#### **INDEPENDENT AUDITORS**

Kreston Reeves Audit LLP were retained as the Corps' auditors.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **ORGANISATION**

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

- a. Finance and Assurance Committee (FAC).
- b. Professional Registration Committee (PRC).
- c. Member Services Committee (MSC).
- d. 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 Royal Charter and By-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 2025

#### 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 Royal Engineers Museum CIO Foundation 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 2011. The Royal Engineers Museum CIO Foundation (Charity Number 1211021) currently shares two of the same Trustees as the Institution but is reported on separately.

#### RISK STATEMENT

The Risk Register was regularly reviewed throughout 2025 by the Chair FAC, Chief Executive and Council. Trustees continue to be satisfied that appropriate 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 mitigate the risk through a combination of measures: funding an endorsed prioritised programme with regular review points, setting a balanced costed programme within Control Total, maintaining sufficient Unrestricted Reserve funds of at least one year's operating costs, aligning with the Corps' Finance & Investment Committee (where appropriate), retaining the Institution's membership of the Armed Forces Charities Growth & Income Fund, annually reviewing Business Continuity Plans, and by receiving professional, independent investment management advice.
- b. **Lose the ability to register Members within the provision of the Licence granted by the Engineering Council.** Although the probability of such an occurrence continues to be assessed as low, Trustees have once again designated the maintenance of the Licence as a high priority. Amelioration 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, to deliver sustained improvement.
- c. **Governance structures become inappropriate or fail.** Trustees continue to periodically review the Royal Charter and Bye-laws to ensure these governance documents remain relevant and appropriate, regularly liaise with the Engineering Council Privy Council & Governance Panel, and have established safeguard clauses to avoid institutional drift from core values. Key mitigation measures have been retained within the Risk Register to ensure sufficient representation on the new RE Museum CIO Foundation Governance Board to alleviate any possibility of a divergence away from the Institution, Corps and wider Sapper family values. Trustees have also ensured there continues to be appropriate representation at Council and on all 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 2025**

#### **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	Re-elected AGM 2025
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	Re-elected AGM 2025

#### **Members**

##### *Ex Officio*

Comd 8 Engr Bde	Brigadier S J Carvel	Completion of tenure 2025
	Brigadier J D Stuart	June 2025
Comd 25 (CS) Engr Gp	Colonel S J Graham	January 2024
Dep Hd Plans NCGI and CRE (Geo)	Colonel A J Harris	November 2024
Corps Colonel	Colonel R B Hawkins MBE ADC	November 2022
Deputy Corps Colonel	Colonel A J Cooper QVRM TD	Completion of tenure 2025
	Colonel D Hall VR	September 2025
Corps Sergeant Major	WO1 S W A Eardley*	June 2023

##### *Co-opted*

Major General C L Wilkes CB CBE	2024	June 2024
Captain P W Brazier	2024	Completion of tenure 2025
WO2 D P Oldham	2025	October 2025

#### **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 2025**

### **Principal Office**

Regimental Headquarters Royal Engineers  
Brompton Barracks  
Chatham  
Kent ME4 4UG

### **Independent Auditor**

Kreston Reeves Audit LLP  
Chartered Accountants  
Statutory Auditor  
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

14 April 2026

## **Institution of Royal Engineers**

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its 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.

#### **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.

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

### **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 Trustee's 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:

#### **Capability of the audit in detecting irregularities, including fraud**

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

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and

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

- 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
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

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

### 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 Audit LLP*

Samantha Rouse FCCA DChA  
for and on behalf of

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

Date: 15 April 2026

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

# Institution of Royal Engineers

## Statement of financial activities for the year ended 31 December 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
<b>Income and endowments from:</b>					
Donations and Legacies	3	563,875	4,000	567,875	543,619
Other Trading Activities	7	4,155	-	4,155	12,215
Investments	8	44,974	-	44,974	41,656
Charitable Activities	15/16	8,622	-	8,622	8,007
<b>Total income</b>		<b>621,626</b>	<b>4,000</b>	<b>625,626</b>	<b>605,497</b>
<b>Expenditure on:</b>					
Raising Funds	7	1,009	-	1,009	2,710
Charitable Activities	9	572,766	4,000	576,766	563,604
<b>Total expenditure</b>		<b>573,775</b>	<b>4,000</b>	<b>577,775</b>	<b>566,314</b>
<b>Net expenditure before revaluations</b>		<b>47,851</b>	<b>-</b>	<b>47,851</b>	<b>39,183</b>
Net gains / (losses) on revaluations of investment assets	22	86,307	-	86,307	42,615
<b>Net movement in funds for the year</b>		<b>134,158</b>	<b>-</b>	<b>134,158</b>	<b>81,798</b>
Total funds at 1 January 2025		1,095,752	572,933	1,668,685	1,586,887
<b>Total funds at 31 December 2025</b>		<b>1,229,910</b>	<b>572,933</b>	<b>1,802,843</b>	<b>1,668,685</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  
for the year ended 31 December 2025  
Charity Number: 249882**

	Note	£	2025 £	£	2024 £
<b>Fixed assets</b>					
Tangible assets	21		584,867		587,037
Investments	22		1,123,336		1,037,029
			<u>1,708,203</u>		<u>1,624,066</u>
<b>Current assets</b>					
Debtors	23	29,414		42,527	
Cash at bank		89,552		29,619	
		<u>118,966</u>		<u>72,146</u>	
<b>Creditors: amounts falling due within one year</b>	24	<b>(24,326)</b>		<b>(27,527)</b>	
<b>Net current assets</b>			<u>94,640</u>		<u>44,619</u>
<b>Net Assets</b>			<u>1,802,843</u>		<u>1,668,685</u>
<b>Charity Funds</b>					
Restricted funds	25		572,933		572,933
Unrestricted funds	25		1,229,910		1,095,752
<b>Total funds</b>			<u>1,802,843</u>		<u>1,668,685</u>

The financial statements were approved by the Trustees on 14 April 2026 and signed on their behalf, by:



**Brigadier J D Webster, Trustee**



**Colonel G S Cheesman 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 2025**

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>£</b>	<b>£</b>
<b>Net cash used in operating activities</b>	<b>29</b>	<b>14,959</b>	<b>37,164</b>
<b>Cash flows from investing activities</b>			
Interest and dividends		<b>44,974</b>	<b>41,656</b>
Purchase of tangible fixed assets		-	-
<b>Cash provided by investing activities</b>		<b>44,974</b>	<b>41,656</b>
<b>Cash used in financing activities</b>			
Increase (decrease) in cash and cash equivalents in the year		<b>59,933</b>	<b>4,492</b>
Cash and cash equivalents at the beginning of the year		<b>29,619</b>	<b>25,127</b>
<b>Total cash and cash equivalents at the end of the year</b>		<b>89,552</b>	<b>29,619</b>

**Analysis of changes in net debt**

	<b>At 1 Jan 2025 £</b>	<b>Cashflows £</b>	<b>At 31 Dec 2025 £</b>
<b>Cash and cash equivalents</b>			
Cash	<b>29,619</b>	<b>59,933</b>	<b>89,552</b>

## **Institution of Royal Engineers**

### **Notes to the financial statements for the year ended 31 December 2025**

#### **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 2025**

#### **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 2025**

#### **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 2025

		Unrestricted	Restricted	Total	Total
		funds	funds	funds	funds
		2025	2025	2025	2024
<b>3 Donations and Legacies</b>				£	£
Subscriptions	(Note 4)	410,481	-	410,481	393,137
Grants	(Note 5)	-	4,000	4,000	3,500
Registration fees		79,390	-	79,390	77,919
Donations		358	-	358	1,273
Legacies		500	-	500	-
Donated facilities and staff costs		73,146	-	73,146	67,790
		<b>563,875</b>	<b>4,000</b>	<b>567,875</b>	<b>543,619</b>

## 4 Subscriptions

				£	£
Regular officers		151,369	-	151,369	145,489
Other members		101,660	-	101,660	99,108
Serving soldiers		64,743	-	64,743	60,505
Members of the Reserve		13,629	-	13,629	11,193
Tax refund		27,136	-	27,136	24,921
Fellowship		9,650	-	9,650	9,600
Eng Tech		36,342	-	36,342	33,045
I Eng		3,433	-	3,433	6,943
C Eng		2,519	-	2,519	2,333
		<b>410,481</b>	<b>-</b>	<b>410,481</b>	<b>393,137</b>

## Support Costs

Audit	1,571	-	1,571	1,341
Insurance	305	-	305	203
Administration	1,213	-	1,213	3,900
Depreciation	1,570	-	1,570	781
Post and telephone	1,500	-	1,500	1,995
Staff costs	69,171	-	69,171	67,006
	<b>75,330</b>	<b>-</b>	<b>75,330</b>	<b>75,226</b>
	<b>335,151</b>	<b>-</b>	<b>335,151</b>	<b>317,911</b>

## 5 Grants

			£	£
Officer Cadet prize fund	-	4,000	4,000	3,500

**Institution of Royal Engineers**

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

**6 Donated services and facilities**

	Unrestricted funds 2025	Restricted funds 2025	Total funds 2025	Total funds 2024
			£	£
Donated staff time	60,739	-	60,739	55,408
Donated facilities	12,407	-	12,407	12,382
	<b>73,146</b>	<b>-</b>	<b>73,146</b>	<b>67,790</b>

**7 Trading Activities**

			£	£
<b>Income</b>				
Publication sales	<b>4,155</b>	<b>-</b>	<b>4,155</b>	<b>12,215</b>
			£	£
<b>Expenditure</b>				
Corps History	<b>1,009</b>	<b>-</b>	<b>1,009</b>	<b>2,710</b>

All income and expenditure on trading activities was unrestricted in 2025 and 2024.

**8 Investment Income**

			£	£
Dividends	<b>42,795</b>	<b>-</b>	<b>42,795</b>	<b>40,121</b>
Dividends - Memorial Fund	<b>1,326</b>	<b>-</b>	<b>1,326</b>	<b>1,243</b>
Bank interest	<b>853</b>	<b>-</b>	<b>853</b>	<b>292</b>
	<b>44,974</b>	<b>-</b>	<b>44,974</b>	<b>41,656</b>

All investment income in 2025 and 2024 was unrestricted.

# Institution of Royal Engineers

## Notes to the financial statements for the year ended 31 December 2025

### 9 Analysis of Expenditure by activities

		Direct costs	Support	Total funds	Total funds
		2025	costs	2025	2024
		£	£	£	£
Subscriptions	(Note 4)	-	75,330	75,330	75,227
Publications	(Note 10)	75,212	63,193	138,405	119,302
Maintain Memorials	(Note 11)	-	5,289	5,289	5,454
Professional Effectiveness	(Note 12)	9,468	4,339	13,807	18,913
Grant making	(Note 13)	88,217	9,068	97,285	95,767
Digitisation	(Note 14)	3,279	39,029	42,308	42,366
Napier House	(Note 15)	1,743	822	2,565	1,877
RE Historical Society	(Note 16)	840	4,614	5,454	5,380
Awards	(Note 17)	11,855	-	11,855	20,885
Professional Registration	(Note 18)	38,086	73,236	111,322	110,643
Donated staff & facilities		-	73,146	73,146	67,790
		<b>228,700</b>	<b>348,066</b>	<b>576,766</b>	<b>563,604</b>

In 2025 £572,766 was unrestricted (2024: £563,604) and £4,000 was restricted (2024: £nil).

### 10 Publications

	£	£
<b>Direct costs</b>		
Distribution costs	26,175	26,371
Publications	50,046	29,929
	<b>76,221</b>	<b>56,300</b>
<b>Support costs</b>		
Audit	1,571	1,341
Administration	593	3,296
Insurance	305	203
Post and telephone	563	749
Computer support costs	4,555	3,928
Staff costs	55,006	52,885
Depreciation	600	600
	<b>63,193</b>	<b>63,002</b>
	<b>139,414</b>	<b>119,302</b>

### 11 Maintain Memorials

	£	£
<b>Support costs</b>		
Audit	271	231
Administration	41	462
Post and telephone	37	50
Insurance	327	217
Staff costs	4,613	4,494
	<b>5,289</b>	<b>5,454</b>
	<b>5,289</b>	<b>5,454</b>



# Institution of Royal Engineers

## Notes to the financial statements for the year ended 31 December 2025

	Total funds 2025	Total funds 2024
	£	£
<b>12 Professional Effectiveness</b>		
<b>Direct costs</b>		
JPMs	6,714	8,165
Fellow Event	503	4,955
Focusses Symposium	750	-
Sponsored Symposia	1,001	1,185
Other in Year Opportunities	500	400
	<u>9,468</u>	<u>14,705</u>
<b>Support Costs</b>		
Insurance	131	87
Post and telephone	38	50
Wolfe Society Subscription	6	6
Staff costs	4,164	4,065
	<u>4,339</u>	<u>4,208</u>
	<u>13,807</u>	<u>18,913</u>
<b>13 Grant Making</b>		
	£	£
<b>Direct costs</b>		
RE Museum fund	65,817	64,524
Comms Hub Grant	20,000	20,000
RE Awards Dinner	2,400	2,400
	<u>88,217</u>	<u>86,924</u>
<b>Support costs</b>		
Insurance	262	174
Post and telephone	112	150
Staff costs	8,694	8,519
	<u>9,068</u>	<u>8,843</u>
	<u>97,285</u>	<u>95,767</u>
<b>14 Digitisation</b>		
	£	£
<b>Direct costs</b>		
IT costs	3,279	3,324
<b>Support costs</b>		
Audit	271	231
Insurance	131	87
Post and telephone	38	50
Staff costs	38,589	38,674
	<u>39,029</u>	<u>39,042</u>
	<u>42,308</u>	<u>42,366</u>

# Institution of Royal Engineers

## Notes to the financial statements for the year ended 31 December 2025

	Total funds 2025	Total funds 2024
	£	£
<b>15 Napier House</b>		
Income from charitable activities		
Rental Income	3,600	3,600
Direct costs		
Maintenance	1,743	772
Support costs		
Audit	271	231
Administration	41	462
Insurance	327	218
Post and telephone	38	50
Staff costs	145	144
Depreciation	-	-
	822	1,105
	2,565	1,877
<b>16 RE Historical Society</b>		
	£	£
Income from charitable activities		
Membership	5,022	4,407
Direct costs		
Publications	840	862
Support Costs		
Audit	163	139
Administration	10	22
Insurance	65	43
Post and telephone	112	150
Staff costs	4,264	4,164
	4,614	4,518
	5,454	5,380
<b>17 Awards</b>		
	£	£
Medals	3,539	11,162
Prizes	8,316	9,723
	11,855	20,885
<b>18 Professional Registration</b>		
	£	£
Direct costs		
Registration & Marketing	38,086	37,447
Support costs		
Audit	1,300	1,110
Administration	794	3,221
Insurance	327	217
Post and telephone	1,312	1,747
Staff costs	69,503	66,901
	73,236	73,196
	111,322	110,643

# Institution of Royal Engineers

## Notes to the financial statements for the year ended 31 December 2025

	Total Funds 2025	Total Funds 2024
<b>19 Net income/expenditure</b>		
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charity	2,170	2,170
Auditor's remuneration	5,418	4,554

During the year, no Trustees received any remuneration (2024: £NIL).  
During the year, no Trustees received any benefits in kind (2024: £NIL).  
During the year, no Trustees received any reimbursement of expenses (2024: £NIL).

## 20 Staff costs

Staff costs were as follows:

	£	£
Wages and salaries	217,769	211,145
National Insurance	15,609	15,725
Pension costs	20,772	19,981
	<b>254,150</b>	<b>246,851</b>

<b>Donated staff time</b>	<b>60,739</b>	<b>55,408</b>
---------------------------	---------------	---------------

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	10	13
	<b>12</b>	<b>15</b>

The average headcount expressed as full-time equivalents was:

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

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 £80,388 (2024: £75,576).

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

	2025 No	2024 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 2025

#### 21 Tangible fixed assets

	General, IT and Office equipment £	Restricted Artefacts £	Total £
<b>Cost</b>			
At 1 January 2025	18,700	572,933	591,633
At 31 December 2025	<u>18,700</u>	<u>572,933</u>	<u>591,633</u>
<b>Depreciation</b>			
At 1 January 2025	(4,596)	-	(4,596)
Charge for the year	(2,170)	-	(2,170)
At 31 December 2025	<u>(6,766)</u>	<u>-</u>	<u>(6,766)</u>
<b>Net book value</b>			
At 31 December 2025	<u>11,934</u>	<u>572,933</u>	<u>584,867</u>
At 31 December 2024	<u>14,104</u>	<u>572,933</u>	<u>587,037</u>

#### 22 Fixed asset investments

	General Fund £	Memorials Fund £	Total £
<b>Market value</b>			
At 1 January 2025	1,005,865	31,164	1,037,029
Revaluations	83,714	2,593	86,307
At 31 December 2025	<u>1,089,579</u>	<u>33,757</u>	<u>1,123,336</u>
<b>Historical cost</b>	<u>452,161</u>	<u>13,811</u>	<u>465,972</u>
<b>Investments at market value comprise:</b>		2025	2024 £
Listed investments		<u>1,123,336</u>	<u>1,037,029</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 2025

### 23 Debtors

	2025	2024
	£	£
JPA Subscriptions	18,324	17,743
BlackRock	11,030	10,341
Other Debtors	60	14,443
	<u>29,414</u>	<u>42,527</u>

### 24 Creditors:

#### Amounts falling due within one year

	2025	2024
	£	£
Other creditors	17,091	20,500
Accruals and deferred income	7,235	7,027
	<u>24,326</u>	<u>27,527</u>

### 25 Statement of funds

#### Current Year

	Brought Forward	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
<b>Designated funds</b>						
Memorials Fund	(90,887)	1,326		120,725	2,593	33,757
Professional Registration	268,756	121,684	(111,322)	-	-	279,118
RE Historical Society	(25,633)	5,022	(5,454)	-	-	(26,065)
	<u>152,236</u>	<u>128,032</u>	<u>(116,776)</u>	<u>120,725</u>	<u>2,593</u>	<u>286,810</u>
<b>General funds</b>						
General fund	943,516	493,594	(456,999)	(120,725)	83,714	943,100
Total Unrestricted funds	<u>1,095,752</u>	<u>621,626</u>	<u>(573,775)</u>	<u>-</u>	<u>86,307</u>	<u>1,229,910</u>
<b>Restricted funds</b>						
Institution Artefacts	572,933	-	-	-	-	572,933
Officer Cadet prize fund	-	4,000	(4,000)	-	-	-
Total of funds	<u>1,668,685</u>	<u>625,626</u>	<u>(577,775)</u>	<u>-</u>	<u>86,307</u>	<u>1,802,843</u>

#### Prior Year

	Brought Forward	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
<b>Designated funds</b>						
Memorials Fund	(81,243)	1,243	(12,168)	-	1,281	(90,887)
Professional Registration	185,963	120,240	(37,447)	-	-	268,756
RE Historical Society	(24,041)	4,407	(5,999)	-	-	(25,633)
	<u>80,679</u>	<u>125,890</u>	<u>(55,614)</u>	<u>-</u>	<u>1,281</u>	<u>152,236</u>
<b>General funds</b>						
General fund	933,275	479,607	(510,700)	-	41,334	943,516
Total Unrestricted funds	<u>1,013,954</u>	<u>605,497</u>	<u>(566,314)</u>	<u>-</u>	<u>42,615</u>	<u>1,095,752</u>
<b>Restricted funds</b>						
Institution Artefacts	572,933	-	-	-	-	572,933
Total of funds	<u>1,586,887</u>	<u>605,497</u>	<u>(566,314)</u>	<u>-</u>	<u>42,615</u>	<u>1,668,685</u>

## Institution of Royal Engineers

### Notes to the financial statements for the year ended 31 December 2025

#### 26 Analysis of net assets between funds

Current Year	Unrestricted funds 2025	Restricted funds 2025	Total funds 2025
	£	£	£
Tangible fixed assets	11,934	572,933	584,867
Fixed asset investments	1,123,336	-	1,123,336
Current assets	118,966	-	118,966
Creditors due within one year	(24,326)	-	(24,326)
	<u>1,229,910</u>	<u>572,933</u>	<u>1,802,843</u>
Prior 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)
	<u>1,095,752</u>	<u>572,933</u>	<u>1,668,685</u>

#### 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 £20,772 (2024: £19,981).

#### 28 Related party transactions

Brigadier James Webster, Colonel Guy Stuart Cheesman 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 £459,470 (2024: £443,079), and gift aid of £37,109 (2024: £16,983) which was transferred during the year. A further £2,465 (2024: £276) of other donations and sundry charges were also transferred. As of 31 December 2025 £60 was owed to Inst RE in respect of book sales (2024: £nil).

During the year the Institution of Royal Engineers also reimbursed £85,381 (2024: £80,107) to RECCT for recharges relating to salaries and pensions, postage, and other admin costs. As of 31 December 2024 a balance of £Nil was owed to RECCT (2024: £23).

The Royal Engineers Museum is a connected charity to the Institution of Royal Engineers and shares the same charter and Trustees. During the year the Institution of Royal Engineers paid The Royal Engineers Museum grants totalling £65,817 (2024: £71,894) and Sundry recharges of £nil (2024: £83). As of 31 December 2024 no balance was owed to The Royal Engineers Museum (2024: £nil).

The Royal Engineers Museum reimbursed £428,739 (2024: £477,262) to the Institution of Royal Engineers relating to salaries and pensions charges. A further £125 was paid to Inst RE in respect of book sales (2024: £nil). As of 31 December 2025 no balance was owed by The Royal Engineers Museum (2024: £nil).

Brigadier James Webster and Colonel Gut Stuart Cheesman 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 £50 (2024: £25) which was transferred during the year. As of 31 December 2025 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 £Nil to the REA (2024: £280) which were transferred during the year. As of 31 December 2025 no balance was owed to the REA.

The REA was paid Subscriptions due to the Institution of Royal Engineers of £53 (2024: £nil), which was transferred during the year. As of 31 December 2025 no balance was owed by the REA.

**Institution of Royal Engineers**

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

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

	<b>Total funds 2025</b>	<b>Total funds 2024</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>134,158</b>	81,798
Add back depreciation charge	<b>2,170</b>	1,381
Deduct interest income shown in investing activities	<b>(44,974)</b>	(41,656)
Deduct gains / add back losses on investments	<b>(86,307)</b>	(42,615)
(Increase) / decrease in debtors	<b>13,113</b>	(9,219)
(Decrease) / increase in creditors	<b>(3,201)</b>	(26,853)
<b>Net cash used in operating activities</b>	<b>14,959</b>	<b>(37,164)</b>