

Charity numbers: 258322 and SC041832

ROYAL ENGINEERS ASSOCIATION



THE SAPPER CHARITY

Trustees' report and financial statements For the year ended 31 December 2024



EMPLOYER RECOGNITION SCHEME

GOLD AWARD 2023

Proudly supporting those who serve.

**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

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**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

The Board of Trustees present their annual report and the audited financial statements for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out at note 2 to the accounts and comply with the charity's trust deed, the Charities Act 2011, and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have considered all information that could reasonably be expected to be available (including levels of reserves held). Therefore, the going concern basis of accounting is deemed appropriate and there are no material uncertainties.

Constitution

The Royal Engineers Association ("the Association" or "REA") is established under authority of a Deed of Declaration of Trust dated 19 November 1968 and Supplemental Deed dated 1 December 1974 as varied by a scheme of the Commissioners dated 11 August 1997 and supplemented by the Rules of the Royal Engineers Association 2009, hereafter referred to as 'The Deed'.

Restrictions on Funds

The Deed describes two Funds, A and B, which are restricted for the benevolence respectively of commissioned and of warrant officer and other rank members and past members of the Corps of Royal Engineers, together with their dependants. Both the A and B Funds were reduced to zero in 2015 and will not be re-used unless a specific grant is made in support of commissioned officers or other rank members of the Corps. A further restricted fund, the Gabriel Fund, was established during 1997, following receipt of a legacy from the estate of the late Colonel R C Gabriel (see note 23 to the financial statements). The General Fund is not restricted. Another restricted fund, The Kitchener Fund, (Sapper Charity Children's Fund) which was the subject to an administrative transfer on 31 December 2008, was accepted by the REA Trustees from The Institution of Royal Engineers at their meeting in May 2009 and is now administered through the REA Benevolence committee.

OBJECTS AND ACTIVITIES

Objects of the Association, as set out in the Deed, are:

To promote the efficiency of the Corps in all or any of the following ways:

- (a) by fostering Esprit de Corps and a spirit of comradeship amongst serving and former members of the Corps.
- (b) to provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers, and dependants who are in need.
- (c) to make grants to the Army Benevolent Fund the Soldiers Charity and to such other Charities as the Board of Trustees think fit which further the objectives of the Association.

Volunteers

REA branches are autonomous and are organised democratically in accordance with the REA Rules 2018 (Version 13 -Feb 2024) by members who take on the stewardship and running of the branch voluntarily. The many hundreds of volunteers who act as branch officials encouraging, supporting, recruiting, and guiding their Sapper branches and members to ensure that the branches provide a national network that supports the entire Sapper family.

ACHIEVEMENTS AND PERFORMANCE

The charity sets out to ensure that grants are made in a speedy, efficient, and cost-effective way. This was achieved, and grants rose to £4,368 in 2024 from £2,496 in 2023 for those in care homes and £21,450 for those living at home (£23,595 in 2023), from whom many letters of appreciation have been received. Special Christmas grants totalled £7,790 (2023: £8,275). The total number of benevolence cases considered in 2024 was 489 compared to 471 in 2023 with 386 cases assisted against 346 in 2023. Total expenditure on direct benevolence grants rose to £293,775.68 in 2024 against £236,339 in 2023.

The Sapper Charity Children's (Kitchener) Fund supported the education of 15 children across 10 Sapper

families with grants of £62,532.

The Gabriel Fund supported the career development of 2 veterans who had experienced significant injury or illness with grants of £2,774 in 2024. One veteran remains on pilot training following the 2023 grant and another has now completed his pilot training and is working as a 1st Officer with an airline.

Sappers Network

Sappers Network continues to provide a jobs board for those leaving the Corps, this service works with employers to provide access to a wide range of employment opportunities in the UK and overseas, a review of Sappers Network operations will be carried out in 2024 to improve awareness of the network to service leavers.

Other Grants

In 2024 the UBSG grant became the CUBS Grant and is paid from the McCabe Fund a fund based around the legacy of Lt Col Mike McCabe RE to provide welfare support to Sapper communities, Units and Branches up to £100,000 is to be made available annually, to enhance *Esprit de Corps* – a specific objective of the REA - by providing the opportunity for qualifying groups to bid for support in funding projects or activities which had no – or incomplete – support from other resources.

The 2024 welfare grant was a success with £97,769 being disbursed across 42 applications

Delivery – Benevolence

- Benevolence to those in need is considered of paramount importance. Applications for benevolence assistance are dealt with within two or three days after checks on service records and establishing financial need. All applications received from the Sapper family are considered sympathetically, most applicants receive financial assistance.
- There will be many eligible persons in need of assistance of whom the Association is unsighted.
- Cases requiring financial assistance greater than £1,000 (Chief Executive financial threshold increased from £500 in 2016) are referred to the REA Benevolence Committee that, since the increase in the Chief Executives' delegated powers, sits quarterly rather than monthly. Cases of an urgent nature that exceed the Chief Executive delegated powers are considered out-of-committee in consultation with the Chair of the Benevolence Committee and the Hon Treasurer REA. There is no financial limit on grants that the Committee can authorise for benevolence. The Committee also deals with applications for weekly allowances. Cases, having been in front of the Committee, are despatched within a week of the Committee decision.

2024 Benevolence Summary.

1. **Introduction.** This report covers the final quarter 4 of 2024 comparative analysis consistent with the previous quarterly reports. A more detailed report will be presented at the May 2025 Board of Trustees meeting.

2. **Summary.**

a. **Increase in Cases.** Despite a decreasing veteran population, the number of cases assessed increased.¹ This may have been caused by increased awareness, economic factors or a combination of.

- (1) The number of cases assessed increased from 471 in 2023 to 489 in 2024.
- (2) The number of cases assisted also rose from 346 in 2023 to 386 in 2024.

b. **Grants.** The allocation of grants to those living at home reduced and increased for those in care homes. This is in line with a national trend which has seen an increase in the care home population.²

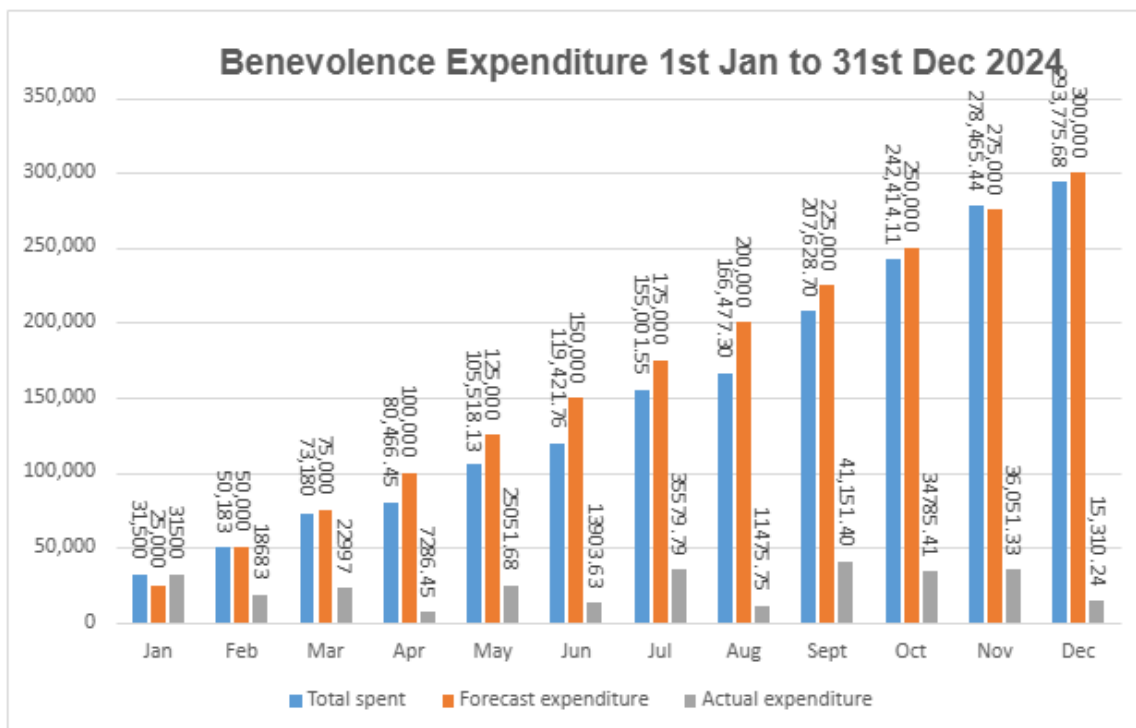
- (1) Weekly grants for those in care homes increased significantly, from £2,496 in 2023 to £4,368 in 2024.

(2) Conversely, weekly grants for those living at home decreased from £23,595 in 2023 to £21,450 in 2024.

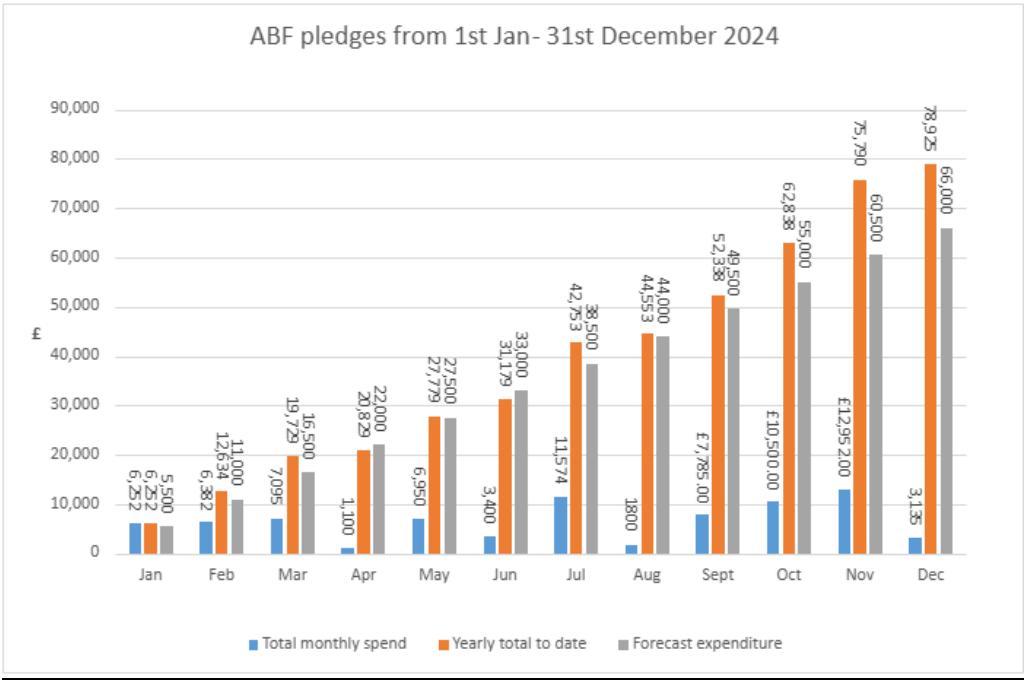
3. **Expenditure.** Spending remained within budget despite the total granted amount increased from £236,339 in 2023 to £293,776 in 2024.

Serial	Data	2024	2023	2022
1	Number of cases assessed	489	471	450
2	Number of cases assisted	386	346	365
3	Number of cases declined	103	125	85
4	Number of weekly grants in care homes (£48):	£4,368	£2,496	£2,762.50
5	Number of weekly grants at home (£55):	£21,450	£23,595	£25,350
6	Special Christmas Grants	£4,360	£3,005.00	£3,195
7	Cases referred to by SSAFA and UWO.	240	-	-
8	Cases referred by RBL and other charities.	249	-	-
9	Cases referred to ABF	154	-	-
10	ABF grant total to date	78,925	-	-
11	Total granted (£)	293,776	236,339	211,152

4. **Weekly Benevolence Expenditure.** Except for January there was an underspend every month, resulting in the annual spend being £6,224.32 under the £300,000 allocated. However, if trends continue it is likely that expenditure for 2025 will exceed £300,000 as the number of cases continues to increase.

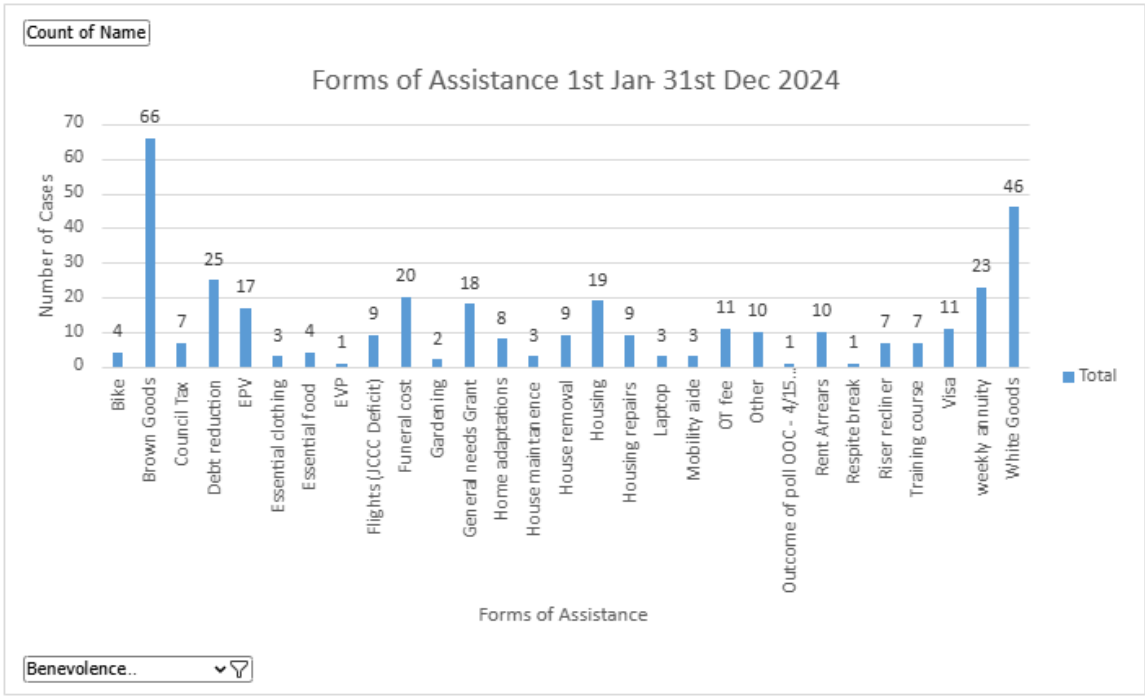


5. **Army Benevolent Fund Contribution. ABF.** Cases referred to ABF totalled 154, with ABF grants amounting to £78,925. However, the amount that the ABF grants to Sapper Family members is likely to exceed this, as the ABF grants funding to cases which have been declined by the REA.



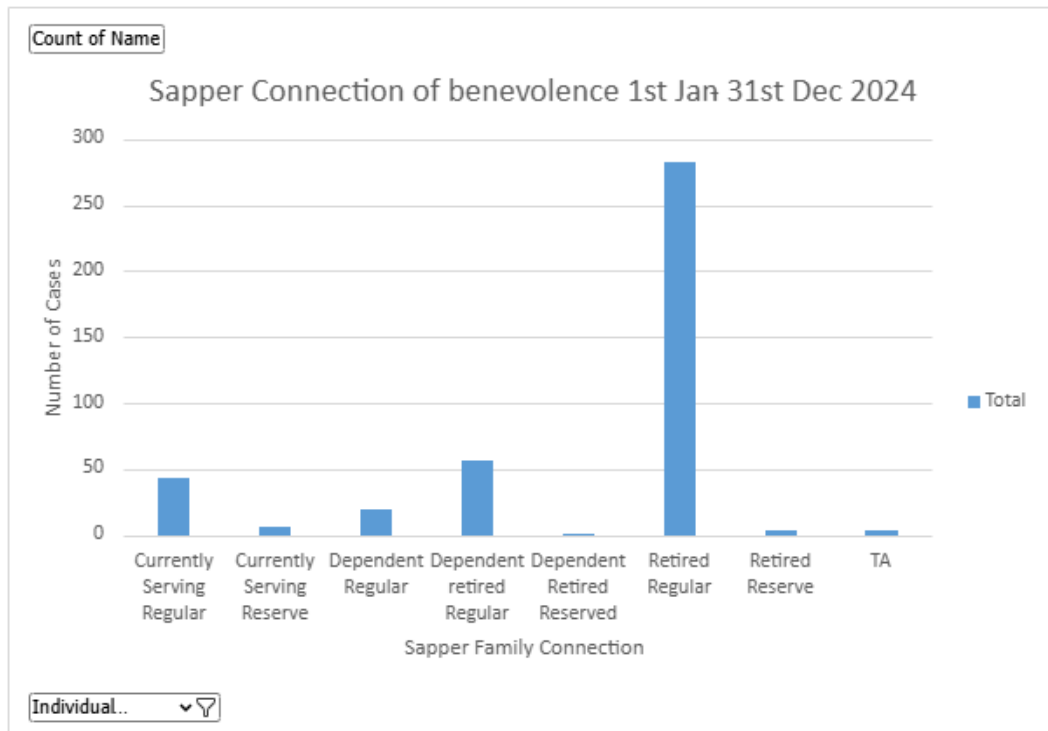
6. **Age.** Overall demographic trends remain consistent with 2023 however the overall increase in cases results in the trends being more pronounced. There is a slight increase in the those assisted aged 90+. This statistic will be monitored in 2025, and if it becomes a trend understanding the underlying factors will be required. Further analysis is required to understand the mean amount spent per case by age demographic. This information may inform future REA strategies.

7. **Form(s) of Assistance.** No change from the previous report.

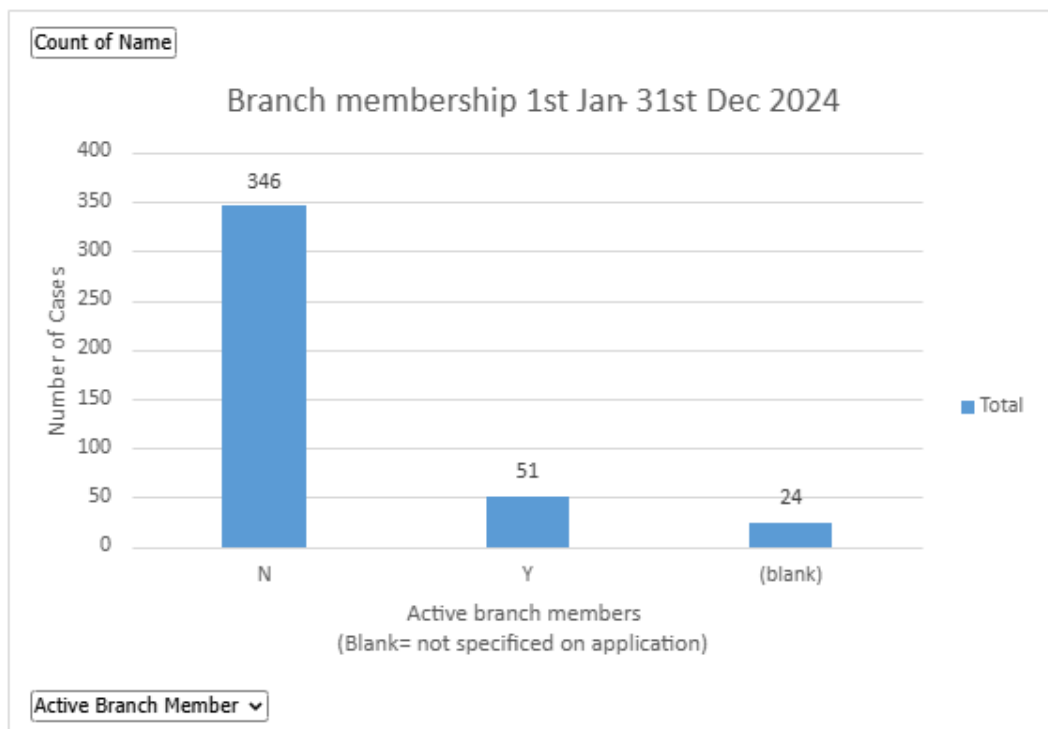


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8. **Recipient Sapper Family Connection.** Retired regulars and their dependents remain the largest and second largest cohort of benevolence recipients. Comparative data for 2023 is unavailable.³

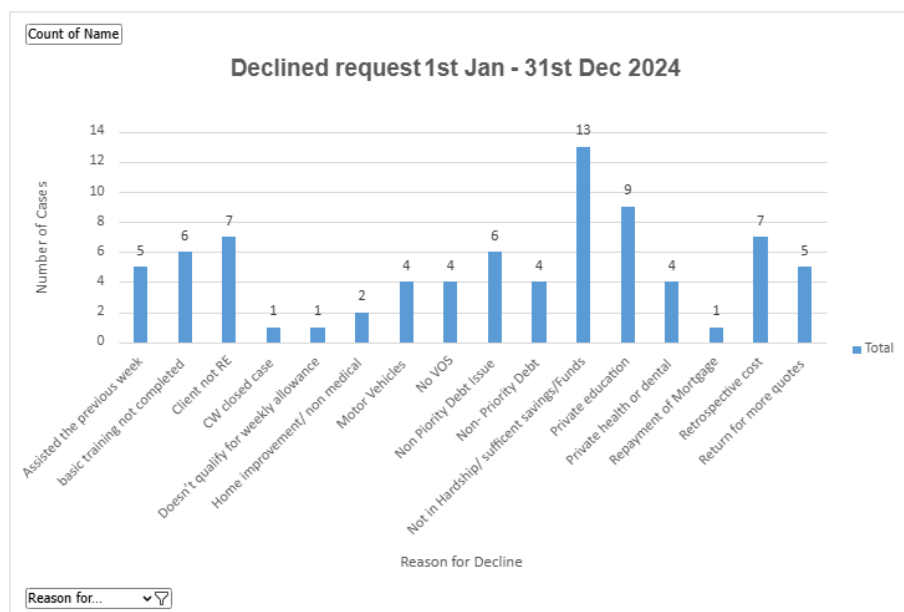


9. **Branch Membership.** Most benevolence recipients are not active members of the REA.



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10. **Reasons for Case Declines.** There is no significant change in trends for cases being declined. The most common reasons for declining cases included previous assistance, non-qualification for weekly allowance and non-priority debt issues.



11. **Increase in Out of Committee Spending.** An increasing number of cases are being assessed out of committee. It is likely that this is due to increased costs resulting in requests exceeding the CEO and the Operations Director threshold of spending. The number of out of committee decisions and the associated data from 2024 will be presented with recommendations in the May meeting of the Board of Trustees.

12. **Summary.** The report highlights a notable increase in the number of cases assessed and assisted in 2024 compared to 2023, despite a reducing veteran population. Weekly grants for care home residents rose significantly, while grants for those living at home decreased. Special Christmas Grants and overall benevolence expenditure also increased. Referrals from various organizations and substantial financial support from the ABF contributed significantly to the number of assisted cases. Despite these changes, demographic trends remained consistent, with most recipients being in the 30-49 age range, and the overall benevolence spending stayed within budget.

Regular weekly allowances were made to 33 applicants and, where there is a need to assist financially with nursing home fees, some have further assistance from the Army Benevolent Fund the Soldiers' Charity.

A grant of £66,000 was provided to ABF The Soldiers' Charity.

A grant of £30,000 was provided to SSAFA.

ABF The Soldiers' Charity

The Trustees are most appreciative of the financial support provided by the ABF The Soldiers' Charity towards the cost of welfare grants to serving and former members of the Corps and their dependants.

Membership

Summary of Outreach Observations 24

During 2024 there have been numerous outreach activities, surveys and opportunities to analyse feedback on the current membership model, structure and activities of the REA.

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REA Participation: REA and Veteran events are mostly known to branch-level members, excluding many eligible but inactive members. Recommendations include increasing event accessibility and using SCRM to automatically send newsletters and grant access to SapperCom.

Branch Structure: The branch network benefits a small percentage of the RE veteran community. Recommendations include reviewing branch creation criteria, assessing CUBs applications based on interaction with REA branches, and focusing on reducing inactive members rather than sustaining the current branch model.

Outreach Activities: Between April 2023 and August 2024, 64 outreach activities were conducted, including branch meetings, unit visits, events, course briefs, and benevolence visits.

Branch Visits: Branch visits are initiated by branch invitations, HQ self-invitations, or the need for intervention. Visits are carried out during branch meetings or events, with the representative providing updates and Q&A sessions.

Branch Membership Challenges: Local branches face challenges due to location, timing, format, commitment, and status issues. The introduction of broader eligibility criteria in January 2024 has kept membership numbers slightly above 2023, but new initiatives are needed to sustain numbers.

Unit Engagement: REA briefs to units emphasize the importance of the Day's Pay Scheme, benevolence, and available funding. Units that receive briefs are more likely to raise funds and apply for financial support.

Reactions to Changes: Members' reactions to changes like the new REA logo, membership categories, event date changes, and the Minley Weekend cancellation vary. Some members are enthusiastic, while others are hostile or indifferent.

Communication Strategies: The REA introduced a monthly newsletter in January 2024, primarily using Facebook for communication. SapperCom, a secure platform, has gained 1,000+ users, while Sapper Magazine and Sappers Network require improvements.

SapperCom Issues: SapperCom faces issues with email addresses and access, requiring users to reapply if their email does not match the one registered with HQ REA.

Summary and Recommendations: The REA should focus on increasing the involvement of the 87,734 inactive RE veterans, rather than just the active minority.

Assistance

The Association acknowledges with gratitude the assistance provided by the caseworkers of SSAFA, TRBL and REA branches for their contribution to the benevolence system.

Fundraising Update

In January 2025, a comprehensive fundraising update was presented to the Board of Trustees. This report outlines our progress in aligning fundraising efforts with the Royal Engineers Association (REA) mission and objectives, highlights opportunities identified and provides a roadmap for success in 2025 and beyond.

Strategic Alignment

We ensured that our fundraising activities align with REA's broader objectives and the 2025-2029 business plan. Clear goals were established for how much to raise, from which sources, and by when, with a framework for continuous review and adaptation. A robust case for support was created to communicate the importance of our mission and inspire donations.

SWOT Analysis

Our strengths include an established reputation, an engaged member base, and a history of impactful work. However, we face weaknesses such as limited digital presence and lack of coordinated communication efforts. Opportunities identified include increased online giving, legacy donations, and corporate sponsorship. Threats include economic challenges and competition from similar organizations.

Competitor Analysis

We examined the fundraising strategies of organisations and Veterans Associations. Key insights included leveraging multi-platform digital campaigns, simplifying donation processes, and effective storytelling.

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Audience Identification and Segmentation

We segmented potential donors based on motivations and behaviours, including current members, veteran communities, the public, and serving soldiers.

2024 Outcomes and Opportunities Identified

In 2024, we achieved significant fundraising outcomes through various platforms, including Crowdfunder Ltd, Enthuse, and Just Giving. Opportunities identified for 2025 include trusts and foundations, challenge events, online donations, and legacies.

Recommendations for Improvement

We recommend professional coordination of digital activities, building trust through regular communication, optimizing online giving, and prioritising supporter care.

Future (January – March 2025)

Key initiatives for early 2025 include ongoing applications to trusts and foundations, driving participation in challenge events, updating legacy information, and enhancing communications.

Conclusion

Communicating the REA's mission and impact is the foundation for successful fundraising. By embracing professional marketing practices, focusing on storytelling, and optimizing for online giving, we are well-positioned to meet our 2025 goals. Together, we can ensure the REA continues to make a profound difference for its members and communities.

REA Branch Accounts

In March 2004 Trustees were informed by their auditor that SORP 2000 required them to include the income, expenditure, assets and liabilities of those REA Branches that did not have separate legal status in their annual charity account, if material. Subsequent legal advice confirmed that the current REA Branches do not have separate legal status and that the extant Rules of the REA did not require Branches to furnish this information to HQ REA. Trustees have changed the Rules of the REA and directed REA Branches to provide this financial information to HQ REA by 31 January each year. The funds associated with these branches are designated. Branches can also have the choice of having all funds administered by the REA fund manager in REA HQ.

Activities in Scotland

The Association has nine active branches in Scotland under the control of the Scotland & Northern Ireland Group Headquarters based at Leuchars, Fife. Because of this presence in Scotland the Association is registered with the Scottish Charity Regulator. As with the remaining UK and overseas branches, those branches based in Scotland do not carry out fundraising but aim to promote and support the Corps in accordance with the Objects of the Association.

2024 FINANCIAL REVIEW

Serving RE officers, warrant officers and soldiers subscribe to the Royal Engineers Central Charitable Trust under the Army's 'Days Pay Scheme' (a payroll giving scheme). After the Institution of Royal Engineers has received a set percentage of officer and soldier subscriptions, the HQ Mess receive a set percentage of officer subscriptions, and the Corps WOs' & Sgts' Mess receive an element of the SNCOs and WOs subscriptions (their respective membership fees) the Association receives 50% of the monies received from the Days Pay Scheme (DPS). Any shortfall of income compared to expenditure comes from investment income. Donations and legacies that are retained are available for investment towards future benevolence. The Association's combined income from DPS, 30% of income, investments 31% of income, legacy, and donations 21% of income is sufficient to sustain our annual operating expenditure in all the key areas of benevolence, welfare, and esprit de corps.

Summary

Net expenditure before other recognised gains and losses was £529,645 (2023: Net income £38,101). The Charity did not authorise any further funds for investment in 2024.

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Balance Sheet

The accumulated funds decreased by £67,807 to £12,095,451 (2023 increased by £71,628 to £12,163,258). Notes to the Statement of Financial Activities and Balance Sheet provide supplementary information against each funding activity.

Expenditure on benevolence grants to individuals increased by £57,437 from £236,339 in 2023 to £293,776 in 2024.

Investment house & policy

The REA invests in the Armed Forces Charities Growth & Income Fund, managed by BlackRock.

The Objective of the Fund is to achieve real growth in capital and income over the long term by investment mainly in equities and fixed income securities. Further investment details are given in the notes to the financial statements.

959,570.000 units transferred from General fund to create McCabe Fund on 4 Jan 24.

151,216.636 units sold from General Fund 11 Dec 24 to generate £345,000 for house purchase.

74,512.546 units sold from McCabe Fund 11 Dec 24 to generate £170,000 for house purchase.

Investment performance

Investments delivered dividends of £379,961 (£406,809 in 2023). 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.

Fixed Assets – Property

Ebbsfleet Property – managed by Family Homes

16 Cherry Hinton Close, Western Cross, Ebbsfleet Valley, DA10 1FW (3 bedrooms)

Purchase Price: £475,000

Current valuation (for 2024 audit): £520,000

Net rental income: £2,045 pcm

Net rental yield 5.17%

Rental Income 2024 - £24,450

Plot 0452, Savery Avenue, Western Cross, Ebbsfleet Valley, SA10 1GQ (3 bedrooms)

Purchase Price £515,000

Completion took place in February 2025

Rental level expected to be £2800 pcm.

Risk statement.

The risks to which the Charity are exposed are reviewed by the REA Management Committee at each of its meetings. The basis of the review is a Risk Management Matrix that identifies and defines the risk, its impact and likelihood, and those mitigation measures the Trustees feel need to be applied. The Risk Management Matrix was reviewed at the September Board meeting in 2024, and members were content that systems have been established to mitigate those risks identified.

Key Risk

The key risks are financial and reputational with loss of income from our investments potentially restricting the services we deliver and thus our reputation among our members and beneficiaries which could further affect our income. In mitigation of this the Board ensures that we maintain sufficient investment funds to provide resilience and regularly reviews the status of our reserves.

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Reserves

The accounts show net expenditure of £529,645 (2023: net income of £38,101) before gains on investments. Gains on investments amounted to £446,838 (2023: gains of £28,527) giving a negative net movement in funds of £67,807 (2023: negative gain movement of £71,628). Gains on our investment property revaluation were £15,000 (2023: £5,000). It is the Trustees policy to realise capital from the Restricted Fund's investment portfolios when required to provide funds in support of grant making or project funding.

Trustees review the reserves policy annually and aim to match the amount held in reserves to mitigate against potential financial threats over the long term. The charity relies upon the MoD for administration of the Day's Pay Giving Scheme, provision of infrastructure, utilities, and a proportion of staff costs. If these MoD donated services were to be withdrawn, the charity would suffer an operational shock. The charity's reserves must be able to meet such a shock if it were to occur.

Furthermore, it is the intention of the Trustees to maintain free reserves amounting to a minimum of 15 years' operating costs (essentially benevolence payments and staffing costs). This is intended to provide adequate security against market volatility, and future risks to both income and expenditure whilst maintaining long-term benevolence support to the Corps' beneficiaries. Current unrestricted reserves are £11,534,400 (2023: £11,605,926) which Trustees consider is consistent with this policy.

Public Benefit

The REA Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake. This fund provides public benefit by assisting service personnel to perform their role more effectively within the Corps of Royal Engineers and assisting those of the wider family of the Corps (those who have left uniform). Where there is "need" the fund helps those who have fallen on hard times like debt, family separation, mobility aids for the infirm (such as stair lifts and electric powered scooters and wheelchairs) and walk-in showers at home where the applicant is unable to use a bath safely. In addition, the Fund has helped some of our serving Sappers where there is a "need".

PLANS FOR THE FUTURE

Strategy Review 2025 for period 2026 to 2030

The Royal Engineers Association (REA) - the Sapper Charity, aims to enhance its impact over the next five years by focusing on key strategic areas. Our primary goals include increasing membership, extending our reach to those in the Sapper Family facing hardship, supporting the welfare of the serving Corps, fostering Sapper communities, collaborating with relevant charity partners and service providers, boosting fundraising efforts, and improving our social media presence to connect with the broader Sapper family.

Strategic Goals

1. **Increase Membership:** Develop targeted recruitment campaigns, enhance membership benefits, and leverage social media and digital platforms to attract and retain members.
2. **Extend Reach to Sapper Family in Hardship:** Identify and support members in need through proactive outreach programs, collaborate with charities, and establish a dedicated helpline and online support portal.
3. **Support Welfare of the Serving Corps:** Implement welfare programs tailored to the needs of serving Corps members, provide mental health and well-being resources, and organise supportive events.
4. **Foster Sapper Communities:** Encourage the formation of new branches and social groups, support existing branches with resources, and promote community events to strengthen bonds among members.
5. **Collaborate with Charity Partners and Service Providers:** Establish partnerships with relevant charities and service providers, share resources and best practices, and engage in joint fundraising and awareness campaigns.

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6. **Boost Fundraising Efforts:** Develop innovative fundraising campaigns, engage with corporate sponsors and donors, and organise events to raise funds and awareness for the REA.
7. **Improve Social Media Presence:** Enhance the REA's social media strategy, create engaging content, and utilise social media analytics to measure impact and adjust strategies accordingly.

Risk Management

Effective risk management measures will be implemented to mitigate potential governance, operational, financial, reputational, and compliance risks. This includes regular updates to governance documents, strategic planning, robust financial controls, transparent communication, and compliance with relevant laws and regulations.

Performance Metrics

To measure the success of our strategic goals, we will track membership growth, outreach effectiveness, welfare program participation, community engagement, partnership quality, fundraising performance, and social media impact.

Timeline for Strategic Goals

All strategic goals will be developed and implemented simultaneously over the next five years to ensure continuous progress and alignment with the Chief Royals Strategy.

Budget

A detailed budget has been outlined to support the implementation of our strategic goals, ensuring that we have the necessary resources to achieve our objectives and sustain our operations.

Communication Strategy

A robust communication strategy will be implemented to enhance internal and external communication, optimise our digital presence, maintain consistent branding, and collect feedback for continuous improvement.

Alignment with Chief Royals Strategy

The REA strategy aligns with the Chief Royals Strategy in several key areas, including people first, talent management, support for veterans, military engineering excellence, deepening relations, financial sustainability, and effective communications.

Conclusion

The next five years present an opportunity for the REA to significantly enhance its impact and support for the Sapper Family. By focusing on these strategic goals, implementing effective risk management measures, tracking performance metrics, following the outlined timeline, allocating the necessary budget, enhancing our communication strategy, and aligning with the Chief Royals Strategy, we can ensure that the REA continues to serve its members effectively and sustainably.

1. Benevolence processing is done digitally online, with data stored in the SSAFA-managed Mosaic database.
2. The website continues development to enable more administration in the digital space.
3. Sappercom.com, our community platform, now provides a secure area for our membership to communicate.
4. Introduction of new areas of support through the McCabe Fund, Ballard Fund, Gabriel Fund and expansion of the reach of the Sapper Charity Children's Fund.
5. Sapper family membership options have been expanded.
6. REA HQ is now offering a fund management service, allowing branches to operate without individual bank accounts. Additionally, this eliminates the need for treasurers to provide detailed accounts.
7. All applications for events and services are now available online.
8. A further strategic development is the planned introduction of fundraising activities in 2024.

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Charitable Objects

The objectives listed below serve as a clear guide to the purpose and role of the Association. These provide a very sound foundation for all our activities.

1. To promote and support the Corps among members of the Association in the following ways:
 - a. By fostering esprit de corps and a spirit of comradeship and service.
 - b. By maintaining an awareness of Corps traditions.
 - c. By acting as a link between serving and retired members of the Corps.
2. To provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers, and dependents who are in need through poverty.
3. To make grants, within Association Guidelines, to the Army Benevolent Fund and to other charities that further the objectives of the Association.

Governance

We have in place all the required elements for the Association to fulfil our legal obligations as a charity. Our charity's governing document is a legal document. It works as a rulebook, setting out:

- Its name.
- Its charitable purposes (objects').
- What can it do to conduct its purposes (powers'), such as borrowing money.
- Who runs it (trustees') and who can be a member.
- Meeting procedures and trustee appointments.
- Any rules about paying trustees, investments and holding land.
- Whether the trustees can change the governing document, including its charitable objects (amendment provisions').
- How to close the charity (dissolution provisions').

Vision

Ensure that all members of the Sapper family have access to the comradeship and support that enables them to live full lives.

Mission

Reach out to all members of the Sapper family and provide support to those in need by maintaining the links between all serving soldiers, veterans, and their families.

Auditors

Kreston Reeves LLP remain the Trustees choice as Corps auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The REA is governed by the Deeds of Trust dated 19 November 1968 and Supplemental Deed dated 1 December 1974 as varied by a scheme of the Commissioners dated 11 August 1997 and supplemented by the Rules of the Royal Engineers Association 2009.

Trustees

The current Board of Trustees are listed on page 10.

The Board

The affairs of the Association shall be directed by the Board of the Association.

The composition of the Board shall be:

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- (1) President, a Colonel Commandant of the Corps nominated by the Chief Royal Engineer ratified by the Board. Appointment for maximum of six years.
- (2) Chair of the Association nominated by the President and ratified by the Board, maximum of six years over two, three-year, terms.
- (3) The Corps Colonel for duration of appointment.
- (4) Honorary Treasurer elected by the Board for maximum of six years over two, three-year, terms.
- (5) The Corps Sergeant Major for duration of appointment.
- (6) Reservist – nominated by President and ratified by vote of the Board maximum six years over two, three-year, terms.
- (7) Group Director – Serving Commanding Officer (CO) rotating round groups for duration of appointment.
- (8) Wider Community Trustee – externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (9) Governance Trustee – externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (10) Service Charity Trustee - externally recruited, position ratified by Board for maximum of six years over two, three-year, terms.
- (11) Fundraising Trustee – externally recruited, Position ratified by board for maximum of six years over two three-year terms.
- (12) Trustee – externally recruited, position ratified by board for a maximum of six years over two three-year terms.

The Chief Executive of the Association shall be Secretary to the Board. The Corps Treasurer and Operations Director shall be in attendance.

The Board shall exercise its responsibilities through subordinate committees subject to the provision that at least.

two members of any such committee shall be members of the Board.

The standing subordinate committees of the Board are:

- The Management Committee, chaired by the Chief Executive, responsible to the Board for the management of the Association including administration, membership, reunions, and awards.
- The Benevolence Committee, chaired by the REA Chair, responsible to the Board for all questions relating to the charitable business of the Association.
- The Finance Committee, Chaired by the Honorary Treasurer, responsible to the Board for the financial affairs of the Association.
- The Recruiting Committee, chaired by a nominated Trustee, responsible to the Management Committee for monitoring and prompting recruiting and awareness issues within the Association.

Indemnity

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

Organisational structure and networks

The Association is directed by its Board of Trustees, constituted as described in the Deed, and consisting of ex-officio, nominated and elected members. Its members are the Trustees of the Association's funds. The Board meets as often as is necessary to fulfil its responsibilities, normally twice a year.

Certain routine business of a non-financial nature is delegated to the Management Committee, which meets twice a year. A benevolence committee meets quarterly to consider the more complicated applications for assistance and those requiring sums beyond the Chief Executive's authorised powers.

A finance committee deals with matters and is responsible to the Board of Trustees.

The REA is divided into 12 Groups throughout the UK and overseas. Each group has a Group.

**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

Director who is appointed by the Corps Colonel and, in most cases, the Group Director is the senior serving Royal Engineer officer in the Group area. Within these Groups are 108 Branches. Of these, 94 Branches are in towns and cities in the UK and overseas who normally meet up once a month for camaraderie and Esprit de Corps. The remaining 14 branches are national and themed branches who represent specialist trades/functions or interests with affiliated members throughout the UK and overseas; they will normally meet up once a year. While all Branches are self-financing, grants are made to Groups, National and Themed branches to support annual meetings and travel, all Branches have the same objectives as those of the Association.

The Headquarters or Secretariat of the Association is managed by the Chief Executive who oversees all activities with particular emphasis on engaging and involving the REA and other veteran organisations in wider Corps affairs and business development. He is supported by an Operations Director who deals primarily with Esprit de Corps and benevolence matters.

With Sappers Network, HQ REA is established for four full time administrative and clerical staff. One of the Secretariat staff is established and paid as a Civil Servant within the Regimental Headquarters of the Royal Engineers. The Chief Executive, Operations Director and three full time members of staff are employed solely by the Association.

**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

**Reference and administrative details of the charity, its trustees, and advisers
For the year ended 31 December 2024**

REA Board of Trustees

Major General (ret'd) Alastair Dickinson CBE	President	
Brig (ret'd) Matt Bazeley OBE	Vice President & Chair Benevolence Committee	
Colonel (ret'd) Jonathan Ruddy	Honorary Treasurer & Chair Finance Committee	
Air Commodore (ret'd) Colin Basnett CBE	Service Charities	
Colonel Richard Hawkins MBE ADC	Corps Colonel	
Warrant Officer Class One Spencer Eardley	Corps Sergeant Major	
Lieutenant Colonel Martin Heffer RE TD	Reserves	
Colonel Claire James	Chair Recruiting Committee	
Mr Jeffrey Jupp	Governance	
Mr Rowan Adams	Chair Fundraising committee.	
Major General Lord Lancaster of Kimbolton	Trustee	
Mr Kenneth Kirk	Chief Executive	Chair Management Committee Secretary to Board of Trustees
Major (ret'd) Nick Gunnell	Operations Director	
Major (ret'd) Ian Sidebottom	Advisor	Corps Treasurer Secretary to Finance Committee

Charity registered numbers.

258322 and SC041832

Principal office

The Royal Engineers Association
Ravelin Building
Brompton Barracks
Chatham
Kent
ME4 4UG

**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

**Reference and administrative details of the charity, its trustees, and advisers
For the year ended 31 December 2024**

Independent auditor

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

Solicitors

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

Investment managers

BlackRock Investment Managers
12 Throgmorton Avenue
London
EC2N 2DL

Approved by the Trustees and signed on behalf of the Trustees 30 May 2025



**Major General A S Dickinson CBE
Chairman**

**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

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

We have audited the financial statements of Royal Engineers Association (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 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 of 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.

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 us. 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 Royal Engineers Association (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 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 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 based on 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 can detect irregularities, including fraud is detailed below:

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:

Independent Auditor's report to the Trustees of Royal Engineers Association (continued)

- 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, particularly 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 are 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 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.

**Royal Engineers Association
Trustee's Report
For the year ending 31 December 2024**

Independent Auditor's report to the Trustees of Royal Engineers Association (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 LLP

Samantha Rouse FCCA DChA
for and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 30 May 2025

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

The Royal Engineers Association

Statement of financial activities For the year ended 31 December 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:					
Donations & Legacies	3	737,307	-	737,307	1,828,080
Other trading activities	9	149,433	-	149,433	119,665
Investment income	10	409,345	42,897	452,242	431,541
Other income	11	98,054	-	98,054	57,388
Total income		1,394,139	42,898	1,437,036	2,436,675
Expenditure on:					
Raising Funds	12	2,196	-	2,196	3,600
Charitable activities	13	1,804,184	160,301	1,964,485	2,394,973
Total expenditure		1,806,380	160,301	1,966,681	2,398,573
Net expenditure before revaluations		(412,241)	(117,403)	(529,645)	38,101
Net gain on investments	19	423,484	23,354	446,838	28,527
Net Gains on property	20	15,000	-	15,000	5,000
Net movement in funds for year		438,484	(94,049)	(67,807)	71,628
Reconciliation of funds					
Total funds at 1 January 2024		11,564,511	598,748	12,163,258	12,091,630
Total funds at 31 December 2024		12,002,995	504,700	12,095,451	12,163,258

The Statement of Financial Activities includes all gains and losses in the year.

All activities relate to continuing operations.

The notes on pages 24 to 37 form part of these financial statements

The Royal Engineers Association

Balance sheet

For the year ended 31 December 2024

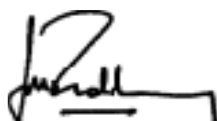
Charity Numbers: 258322 and SC041832

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	18	73,204	77,774
Investments	19	10,245,350	10,343,398
Investment properties	20	520,000	505,000
		<u>10,838,554</u>	<u>10,926,172</u>
Current assets			
Debtors	21	166,799	170,253
Cash at bank and in hand		<u>1,219,804</u>	<u>1,140,787</u>
		1,386,603	1,311,040
Creditors: amounts falling due within one year	22	<u>(129,706)</u>	<u>(73,954)</u>
Net current assets		<u>1,256,897</u>	<u>1,237,086</u>
Net assets		<u>12,095,451</u>	<u>12,163,258</u>
Charity Funds			
Restricted funds	23	561,051	557,332
Unrestricted funds	23	<u>11,534,400</u>	<u>11,605,926</u>
Total funds		<u>12,095,451</u>	<u>12,163,258</u>

The financial statements were approved by the Trustees on 30 May 2025 and signed on their behalf, by:



Major General AS Dickinson CBE,
Chairman



Colonel JM Ruddy,
Honorary Treasurer

The notes on pages 24 to 37 form part of these financial statements

The Royal Engineers Association

Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024	2023
		£	£
Net cash used in operating activities	27	(921,641)	(388,867)
Cash flows from investing activities			
Interest and dividends		452,242	431,541
Movement on fixed assets		3,530	(359)
Movement on Branch Investments		29,886	(12,789)
Purchase of investment properties		-	-
Disposal of fixed asset investments		515,000	600,000
Cash provided by (used in) investing activities		1,000,658	1,018,393
Increase/(decrease) in cash and cash equivalents in the year		79,017	629,526
Cash and cash equivalents at the beginning of the year		1,140,787	511,261
Total cash and cash equivalents at the end of the year		1,219,804	1,140,787

Analysis of changes in net debt

	At 31 Jan 2023 £	Cashflows £	At 31 Dec 2023 £
Cash and cash equivalents			
Cash	1,140,787	79,017	1,219,804

The Royal Engineers Association

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

1 General administrative information

Royal Engineers Association is an unincorporated charity in England & Wales and Scotland with the registration numbers 258322 and SC041832. 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 the efficiency of the Corps in all or any of the following ways: by fostering Esprit de Corps and a spirit of comradeship amongst serving and former members of the Corps; to provide financial and other assistance to serving and former members of the Corps, their spouses, widows, widowers and dependants who are in need; to make grants to the Army Benevolent Fund The Soldiers Charity and to such other charities as the Council think fit which further the objectives of the Association.

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.

The Royal Engineers Association 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 for the fore-see able future.

2.3 Fund Accounting

General unrestricted funds represent unrestricted income of subscriptions, donations and legacies which is expendable at the discretion of the Council in the furtherance of the objects of the Association. Such funds may be held in order to finance both working capital and capital investment.

Designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees to meet specific purposes.

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purpose. These are the Gabriel & Kitchener Scholarship funds which are explained in detail on page 1 in the Trustees' report.

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

Accounting policies (continued)

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.

Subscriptions

Serving officers, warrant officers and soldiers subscribe to the Royal Engineers Central Charitable Trust under the Army's Day's Pay Scheme. The Association received 50% of the monies received from the Day's Pay Scheme.

Donations

Donations are included in full in the income and expenditure accounts on a receipts basis. Gift Aid donations are included in the income and expenditure account on a receivable basis.

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 objects of the trust which are always authorised by Trustees.

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 13.

The cost of generating funds consists of investment, management, and certain legal fees.

2.6 Tangible fixed assets and depreciation

REA assets, including those purchases by Branches, costing more than £1,000 are capitalised. Depreciation is charged on assets using a straight line basis over their estimated life on the following basis:

Fixtures and fittings	10% per annum
General property	10% per annum
Computer equipment	20% per annum

REA Branch Standards are capitalised and maintained at their expected replacement value, £650.

2.7 Investments

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

Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

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

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

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

2.13 Donated services and facilities

Intangible income, which comprises donated services, is 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 intangible expenditure.

2.14 Tender policy

Trustees introduced a tender policy that covers expenditure:

- a. Between £2.5k and £5k
- b. Between £5k and £10k
- c. Over £10k

Accounting policies (continued)

2.15 Taxation

The Royal Engineers Association is a registered charity and accordingly no provision is considered necessary for taxation.

2.16 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.

The Royal Engineers Association

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

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2023
		£	£	£	£
3 Donations & Legacies					
Donations	(Note 4)	114,164	-	114,164	79,067
Legacies	(Note 5)	100,005	-	100,005	1,228,307
Grants	(Note 6)	2,500	-	2,500	2,500
Subscriptions	(Note 7)	452,763	-	452,763	434,620
Donated services and facilities	(Note 8)	67,875	-	67,875	83,586
		737,307	-	737,307	1,828,080

All of the donations and legacies income was unrestricted in 2024 and 2023.

4 Donations

	£	£	£	£
General donations	81,992	-	81,992	63,077
Donations from branches	61	-	61	-
Tax refund	788	-	788	1,462
Website donations	27,163	-	27,163	7,988
Annual dinner receipts	-	-	-	3,540
Ijzendijke receipts	4,160	-	4,160	3,000
	114,164	-	114,164	79,067

5 Legacies

	£	£	£	£
Legacies Brown/McCabe	-	-	-	1,228,307
Legacy Tracey	90,000	-	90,000	-
Small Bequests	10,005	-	10,005	-
	100,005	-	100,005	1,228,307

6 Grants

	£	£	£	£
H&M Charitable Trust	2,500	-	2,500	2,500

7 Subscriptions and tax

	£	£	£	£
Membership	23,244	-	23,244	29,697
Grant from RECCT (represents 50% of Day's Pay Scheme subscriptions to RECCT)	429,519	-	429,519	404,923
	452,763	-	452,763	434,620

The Royal Engineers Association

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

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
8 Donated services and facilities				
	£	£	£	£
Gas	1,894	-	1,894	1,869
Electricity	2,218	-	2,218	2,131
Water and sewage	897	-	897	860
Community charge	5,915	-	5,915	5,686
Admin Utilities	1,543	-	1,543	1,524
MOD Salaries	-	-	-	19,971
Admin Salaries	55,408	-	55,408	51,545
Total	67,875	-	67,875	83,586

9 Other trading activities

	£	£	£	£
Esprit de Corps income	149,433	-	149,433	119,665
	149,433		149,433	119,665

10 Investment income

	£	£	£	£
Investment Property Rent	24,450	-	24,450	24,540
Dividends – Armed Forces Charities Fund	337,379	42,582	379,961	406,809
Bank interest	4,335	315	4,650	192
Dividends McCabe Fund	43,181	-	43,181	-
	409,345	42,897	452,242	431,541

Of the total investment income received; £446,575 (2023: £431,541), £409,345 was from unrestricted funds (2023: £409,816) and £37,230 was from restricted funds (2023: £21,725).

11 Other income

	£	£	£	£
Sundry income	29,633	-	29,633	26,108
Refund of Previous Years Grants	54,835	-	54,835	22,338
Stable Belts	4,470	-	4,470	8,942
Fundraising	9,116	-	9,116	-
	98,054	-	98,054	57,388

12 Raising Funds

	£	£	£	£
Recruiting	2,196	-	2,196	3,600

The Royal Engineers Association

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

13 Charitable Activities

	Direct costs	Support costs	Total	Total
	2024	2024	2024	2023
	£	£	£	£
Benevolence (Note 14)	814,339	228,320	1,042,659	942,955
Esprit de Corps (Note 15)	625,429	296,397	921,826	1,452,018
	1,439,768	524,717	1,964,485	2,394,973

£1,805,340 of the charitable activities expenditure was from unrestricted funds (2023: £2,341,684) and £160,301 was from restricted funds (2023: £53,289).

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2024	2024	2024	2023
	£	£	£	£
14 Benevolence grants and allowances				
Direct costs				
Grants	343,666	62,532	406,198	374,529
Christmas grants	7,790	-	7,790	8,275
Weekly allowances	101,582	-	101,582	111,542
Army Benevolent Fund	66,000	-	66,000	66,000
SSAFA Families Help	30,000	-	30,000	30,000
Other charities	105,000	-	105,000	160,000
McCabe Grants	-	97,769	97,769	-
	654,038	160,301	814,339	750,346
Support costs				
Committee & Travel costs	7,971	-	7,971	4,291
Audit	5,367	-	5,367	4,920
Fees & Subscriptions	8,921	-	8,921	438
Insurance	1,605	-	1,605	1,186
Administration	15,762	-	15,762	12,466
Post & Telephone	5,041	-	5,041	4,518
Depreciation	52	-	52	110
Donated services support costs	30,034	-	30,034	28,052
Donated services MOD salaries	-	-	-	19,971
Staff costs	153,567	-	153,567	116,657
	228,320	-	228,320	192,609
	882,358	160,301	1,042,659	942,955

The Royal Engineers Association

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

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
15 Esprit de Corps				
	£	£	£	£
Direct costs				
Corps activities	353,396	-	353,396	950,350
Branch donations	16,513	-	16,513	22,229
Branch activities	245,002	-	245,002	201,685
Annual Conference	-	-	-	-
Sapper Sunday Lunch	-	-	-	1,596
Annual Dinner	143	-	143	10,884
Ijzendijke Visit	10,375	-	10,375	-
	625,429	-	625,429	1,186,744
Support costs				
Committee & Travel costs	31,883	-	31,883	17,158
Audit	5,367	-	5,367	4,920
Fees & Subscriptions	8,921	-	8,921	438
Insurance	1,605	-	1,605	1,186
Administration	17,407	-	17,407	14,227
Post & telephone	5,041	-	5,041	4,518
Depreciation	988	-	988	2,099
Donated services support costs	37,840	-	37,840	35,563
Staff Costs	187,345	-	187,345	185,165
	296,397	-	296,397	265,274
	921,826	-	921,826	1,452,018

16 Net Income / Expenditure

This is stated after charging:	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	7,120	2,261
Auditor's remuneration	10,734	9,840

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

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

Trustees received reimbursement of expenses amounting to £Nil in the current year, (2023 - £Nil).

The Royal Engineers Association

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

	Total funds 2024 £	Total funds 2023 £
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17 Staff costs

Staff costs were as follows:

Wages and salaries	298,622	265,220
Social security costs	18,394	21,006
Pension costs	23,896	15,597
	340,912	301,823

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

	No.	No.
Management and administration of the charity	18	17

The average headcount expressed as full-time equivalents was:

	No.	No.
Management and administration of the charity	11	9

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

	2024 No	2023 No
In the band £80,001 - £90,000	1	1

The total employment benefits including employer pension contributions of the key management personnel were £88,666 (2023 - £83,654).

18 Tangible fixed assets

	Unrestricted Designated Fixtures & fittings £	Unrestricted General Property £	Unrestricted General Computer equipment £	Total £
At 1 January 2024	86,559	115,591	25,651	227,801
Movement in fixed assets	(3,530)			(3,530)
Property Disposals		(107,867)	(17,672)	(125,539)
At 31 December 2024	83,029	7,724	7,979	98,732

Depreciation

At 1 January 2024	11,915	114,999	23,113	150,027
Movement in fixed assets	-			-
Charge for the year	-	400	640	1,040
Property Disposals		(107,867)	(17,672)	(125,539)
At 31 December 2024	11,915	7,532	6,081	25,528

Net book value

At 31 December 2024	71,114	192	1,898	73,204
At 31 December 2023	74,644	592	2,538	77,774

The Royal Engineers Association

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

19 Fixed asset investments

	Listed securities £	Branch Investments £	Total £
Market value			
At 1 January 2024	10,294,742	48,656	10,343,398
Disposals	(515,000)		(515,000)
Revaluations	446,838		446,838
Movement on branch investments	-	(29,886)	(29,886)
At 31 December 2024	<u>10,226,580</u>	<u>18,770</u>	<u>10,245,350</u>
Historical cost	<u>5,731,035</u>	<u>25,981</u>	<u>5,757,016</u>

Investments at market value comprise:

	2024 £	2023 £
Listed investments	10,226,580	10,294,742
Branch investments	18,770	48,656
Total market value	<u>10,245,350</u>	<u>10,343,398</u>

All of the fixed asset investments are held in the UK.

Material investments

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

20 Investment Properties

	Freehold Investment Property
Valuation	
At 1 January 2024	505,000
Revaluation	15,000
At 31 December 2024	<u>520,000</u>

Going forward the investment properties will be valued on an open market value for existing use basis

The Royal Engineers Association

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

21 Debtors

	2024 £	2023 £
Other debtors	142,231	168,825
Prepayments and accrued income	24,479	-
Branch Debtors	89	1,428
	166,799	170,253

22 Creditors:

Amounts falling due within one year

	£	£
General creditors	10,988	2,043
Trade creditors	118,718	71,911
	129,706	73,954

The Royal Engineers Association

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

23 Statement of funds

Current Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Ballard Grants	181,332	-	(25,000)	-	-	156,332
Gabriel Grants	50,000	-	(2,774)	-	-	47,226
Branch funds	607,374	265,729	(261,515)	-	-	611,588
Total Designated funds	838,706	265,729	(289,289)	-	-	815,146
General funds						
General funds	10,767,220	1,128,410	(1,614,860)	-	438,484	10,719,254
Total Unrestricted funds	11,605,926	1,394,139	(1,904,149)	-	438,484	11,534,400
Restricted funds						
Kitchener Scholarship Fund	557,332	42,897	(62,532)	-	23,354	561,051
Total Restricted Funds	557,332	42,897	(62,532)	-	23,354	561,051
Total of funds	12,163,258	1,437,036	(1,966,681)	-	461,838	12,095,451
Prior Year						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Ballard Grants	-	-	-	181,332	-	181,332
Gabriel Grants	-	-	-	50,000	-	50,000
Branch funds	601,632	229,657	(223,915)	-	-	607,374
Total Designated funds	601,632	229,657	(223,915)	231,332	-	838,706
General funds						
General funds	10,861,283	2,424,734	(2,361,001)	(189,727)	31,931	10,767,220
Total Unrestricted funds	11,462,915	2,654,391	(2,584,916)	41,605	31,931	11,605,926
Restricted funds						
Kitchener Scholarship Fund	628,715	21,915	(53,289)	(41,605)	1,596	557,332
Total Restricted Funds	628,715	21,915	(53,289)	(41,605)	1,596	557,332
Total of funds	12,091,630	2,676,306	(2,638,205)	-	33,527	12,163,258

The Royal Engineers Association

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

24 Analysis of net assets between funds

Current Year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	73,204	-	73,204
Fixed asset investments	9,677,041	568,310	10,245,351
Investment properties	520,000	-	520,000
Current assets	1,362,017	24,586	1,386,603
Creditors due within one year	(129,706)	-	(129,706)
	11,502,556	592,896	12,095,452

Prior Year	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	77,774	-	77,774
Fixed asset investments	9,798,441	544,957	10,343,398
Investment properties	505,000	-	505,000
Current assets	1,298,854	12,186	1,311,040
Creditors due within one year	(73,954)	-	(73,954)
	11,606,115	557,143	12,163,258

The Royal Engineers Association

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

25 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £16,778 (2023 - £15,597).

26 Related party transactions

All transactions with related parties are disclosed in the Trustees Report and notes to the accounts.

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

	Total funds 2024	Total funds 2023
	£	£
Net movement in funds	(67,807)	71,628
Add back depreciation charge	1,040	2,261
Deduct interest income shown in investing activities	(452,242)	(431,541)
Deduct gains / add back losses on investments	(446,838)	(28,526)
Deduct gains / add back losses on investment properties	(15,000)	(5,000)
Decrease (increase) in debtors	3,454	3,200
Increase (decrease) in creditors	55,752	(889)
Net cash used in operating activities	<u>(921,641)</u>	<u>(388,867)</u>

28 Post balance sheet events

Since the year end the charity has purchased a new investment property for £515,000

29 Related party disclosure

Colonel Richard Bouke Hawkins MBE ADC and Corps SM Spencer William Arnold Eardley, Trustees of the Royal Engineers Association (REA) are also Trustees of the Institution of Royal Engineers 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

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.

Colonel Richard Bouke Hawkins MBE ADC and Corps SM Spencer William Arnold Eardley, both Trustees of the Royal Engineers Association (REA) are also Trustees of the Royal Engineers Museum for which transactions have taken place during the year. During the year the REA paid the Royal Engineers Museum grants totalling £50,000. In addition, REA repaid other expenses of £8,613 to the Royal Engineers Museum relating to admin and sundry recharges. As of 31 December 2024, no balance was owed by the REA (2023:

The Royal Engineers Museum reimbursed £888 to REA during the year relating to sundry recharges. As of 31 December 2024, no balances were owed to REA (2023: £nil).

Colonel Richard Bouke Hawkins MBE ADC and Corps SM Spencer William Arnold Eardley, both Trustees of the Royal Engineers Association (REA) are also Trustees of the Royal Engineers Central Charitable Trust (RECCT) for which transactions have taken place during the year. RECCT collected subscription income on behalf of REA totalling £427,394 as well as dividends collected of £21,590 which was transferred to the REA during the year. A further £1,865 of other reimbursements were made to the REA in relation to sundry recharges. As of 31 December 2024, no balance was owed from RECCT (2023: £nil).

The REA also paid £121,916 to RECCT during the year in relation to recharges for salaries and pensions, grants and admin recharges. As of 1 December 2024, no balance was owed to RECCT (2023: £nil).