

CORPS OF ROYAL ELECTRICAL AND MECHANICAL ENGINEERS MUSEUM

England & Wales · Charity number 272740

Details

Other names R E M E MUSEUM OF TECHNOLOGY

Status Registered

Legal form Other

Registered 1977-01-27

Register [View on the Charity Commission register](#)

Contact

Address Rhq Reme
Lyneham
Chippenham
SN15 4XX

Phone 01249894520

Email enquiries@rememuseum.org.uk

Website www.rememuseum.org.uk

Activities

Objects: UPHOLDING THE TRADITIONS OF THE CORPS AND PERPETUATING ITS DEEDS.

Activities: To preserve the heritage of the Corps of REME and to make it available for the education of the public and the Armed Services. To assist the public in appropriate military historical research.

Classification

- **How:** Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, Other Defined Groups, The General Public/mankind

Geography

- Swindon
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£567,104	£589,777	£2,047,372	13
2024-12-31	£727,362	£546,890	£2,847,272	15
2023-12-31	£528,488	£488,401	£2,645,300	13
2022-12-31	£536,058	£1,208,930	£2,640,213	15
2021-12-31	£442,619	£461,158	-	-
2020-12-31	£435,352	£410,232	-	-

Trustees

Name	Role	Appointed
Brigadier Clare Phillips CBE	Chair	2019-04-01
Alexander Shand CEng		2023-08-01
Colonel Bob Fram		2019-04-01
Harriet Burns		2023-08-01
James Alexander Foster		2024-01-17
Lt Col Abigail Brown		2024-05-23
Major Paul Charles Dennis Hembery		2023-08-01
Megan Ashton RN		2023-08-01
Paul Tumim		2023-08-01
Trevor Hirst MSc CEng		2023-08-01

CORPS OF ROYAL ELECTRICAL AND MECHANICAL ENGINEERS MUSEUM

England & Wales - Charity number 272740

Accounts

Charity no. 272740

**Corps of Royal Electrical and Mechanical
Engineers Museum
Report and Audited Financial Statements
31 December 2025**



Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2025

Charity number 272740

Registered office and operational address The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees The trustees who served during the year and up to the date of this report were as follows:

The REME Charity - sole corporate trustee

Trustees of The REME Charity:

Brig C P Phillips CBE	Chair
Cdr M Ashton RN	
Lt Col A Brown	
Capt H Burns	
J Foster	
Col (Retd) R Fram MC	
Maj P C D Hembery	
Mr T Hirst MSc CEng	
Col D G Scott ADC	(retired 15 April 2025)
Maj A Shand CEng	
P Tumim	

Principal staff Mrs Barbel Harris Chief Executive Officer
Major (Retd) R J Henderson Museum Director

Bankers Holt's Military Banking
The Royal Bank of Scotland Plc
200 Fowler Avenue
Fowler Business Park
Farnborough
GU14 7JP

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

The trustees present their report along with the 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 in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2011, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The REME Museum appointed The REME Charity as its sole corporate trustee on 7 June 2016. First registered on 10 December 1976, the Governing Document was a Trust Deed; unincorporated association, which was varied by scheme on 28 April 1998 and further amended by the scheme on 7 June 2016.

Background

The REME Museum was first established in 1958 and was located in Moat House in Arborfield. Later the REME Museum was expanded and the collection was held over two locations, the main museum moved from Moat House to a new location in Hazebrouck Barracks in Arborfield and a vehicle collection was established in Prince Phillip Barracks in Bordon. In November 2015, and as part of the larger Defence Technical Training Change Programme move, the REME Museum relocated to its current location in MoD Lyneham. The main collection is held in building 311 and the reserve vehicle collection is held in building 184, a hangar at A site.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the board of trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the board remains current and effective.

Organisational structure and governance

The board of trustees is an independent decision-making governing body which meets at least twice a year. The board consists of 10 trustees led by a Chair. Trustees are given responsibility for different areas of the business, with the Museum having a dedicated trustee. The Museum Development Committee meets twice yearly and short, medium, and long-term plans are reviewed. The execution of the day to day running of the business is delegated to the Museum Director.

Relationships with other charities

The Museum Fund is a designated fund within The REME Charity, which has the responsibility for governance, invests the Museum's reserves, provides an annual grant and employs the museum staff. The Museum Development Fund raises its own income through donations, independently of The REME Charity.

Risk management

The REME Charity maintains a risk register which includes risk to the Museum and is reviewed annually. Risks are categorised in five main areas, Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. The REME Museum is dependent on MOD support for staff wages and its building infrastructure and support from The REME Charity. If the MoD funded Grant in Aid ceased and the MOD decided to charge rent for the building, this would have significant impact on the Museum's ability to operate profitably. The Museum is working to become self-sufficient but in the short term, has the financial backing of The REME Charity.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

OBJECTS AND ACTIVITIES

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit. The REME Museum provides public benefit by educating the visitors about the character, activities and history of the British Army and specifically the Corps of REME. It does this by telling a compelling story of those who served in the REME, by providing a community hub to build and strengthen the links between the military and civilian communities, and by providing a place of education for soldiers and school children.

Object

The defined object of the REME Museum is to uphold the traditions of the Corps of REME and to perpetuate its deeds.

The REME Museum fulfils its object by holding and maintaining the Corps Collections and ensuring that new members of the Corps are educated in its history. It accurately accounts for all items in the collections and ensures appropriate security measures are in place. It shares its history through loans to other museums and through allowing the general public access to its collections and/or historical records.

2025 themes and activities

The Museum enjoyed another hugely successful year. The following was achieved:

- a) The Museum replaced the small 9inch Samsung touch screen tablets due to age and a safety issue (batteries starting to overheat) throughout the 7 galleries with larger 24inch touch screens and mini-PCs. Also purchasing lifetime licences for a more user-friendly software to manage staff updates.
- b) The introduction of the Museum's own guest wi-fi throughout the galleries, conference room and café.
- c) A project entitled REME and the LBGTQ+ Community funded by a grant from Arts Council England via Museum Development South West was completed in year. An exhibition of three panels is now in place.
- d) The introduction of 'Lights up, and Sounds down' days in 2025. These 'Lights Up, Sounds Down' days reduce sensory input for individuals who would prefer a quieter experience. These sessions are primarily for, though not limited to, anyone who has sensory processing disorder; autism; social, emotional or mental health needs; dementia, post-traumatic stress disorder (PTSD) or any other sensory needs.
- e) **Education.** The Education Officer has delivered tours for Phase 1 soldier visits. He continues to deliverable interesting but relatable workshops in line with the national curriculum. The STEM workshops; Lego Engineering, Rocket Powered and Crack the Code are very popular. The Scouts Mechanic Activity badge workshop continues to be a successful addition. The Museum Development manager continues to deliver the weekly presentations to military students at MOD Lyneham. This entails a brief on the Corps' heritage and the part the REME Museum plays in promoting and preserving it. The Museum also host ad hoc quiz tours around the galleries for students at Lyneham awaiting training to increase their knowledge about the Corps heritage.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

- f) **Reputation.** VisitEngland awarded the Museum the Welcome Accolade in 2025 having scored a 100% in this category. The Museum achieved an overall score of 92%. The high standards throughout the Museum triggered a nomination for the VisitEngland Gold, Hidden Gem and Welcome Accolades. This is the third year in a row the Museum has been nominated for the Gold Accolade (awarded the accolade in 2023) and whilst the Museum did not receive the Gold accolade for 2025, the continued nominations are a significant recognition of the continued standards achieved in all areas of the Museum's operation. The Museum continues to receive a large number of very positive comments in the visitor's book and on Trip Advisor. In 2025 we again we received a Travellers Choice Award from Trip Advisor.
- g) **Social media.** The excellent work of the fulltime social media and Digital Marketing Officer has seen the number of online followers continue to increase across all platforms to 21,471 (2024: 19,350) and engagements of 48,076 (2024: 44,186).
- h) **Advertising.** The Museum added a campaign plan with Newsquest via Swindon Advertiser. This provides a bespoke targeted Facebook Advert in a newsfeed across Wiltshire. This also includes an embedded pixel which enables tracking of visits to our websites and booking of tickets. The Museum advertising plan includes the use of fence banners to advertise events along with paid for Facebook adverts. Hard copy and online adverts are used as well a quad fold leaflet that was distributed in all major outlets within a 45-minute drive time from the Museum. The Museum also benefits from regular BBC Radio Wiltshire plugs by the Museum Development Fund manager.
- i) **Events.** The Museum's events calendar proved to be a huge success in 2025. The Wartime Britian Event commemorating VE 80 was a huge success as was the Museum Extravaganza Event (Armed Forces Day with all the fun of the fair) with both events drawing in over 1,000 visitors each.
- j) **Collections care.** A plan to improve the storage of the reserve weapons collection in the Armoury in camp is still on hold due other priorities and lack of resources.

Strategies to achieve objects

The trustees make an annual estimate of the likely financial call on the Museum based upon historical data and a planned budget. A grant of £139,850 from The REME Charity was required in 2025. Income to the Museum Development Fund comes from donations to the Gold Card scheme. The scheme is open to serving members of REME and provides free admission for life for the individual concerned and their family, in return for a small monthly donation over four years. These income strategies enable the object to be met.

Significant charitable activities

A total of 1,216 adults and 387 children attended the Museum using the Gold card scheme. A further 964 military personnel visited as part of DSEME induction visits or hosting VIPs at Army HQ or REME RHQ request.

The Museum continues to provide free use of the education suite on most Mondays to the Beyond Dementia.

Throughout 2025 the Museum continued to provide displays at external events such as Freedom of Wokingham Parade and the REME Association Weekend. The Museum's Conqueror (Armoured Recovery Vehicle) was on display at the Capel Military Vehicle show.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

The vast majority of Museum staff attended Emergency First Aid at Work and Manual Handling Training again this year.

ACHIEVEMENTS AND PERFORMANCE

Performance management

The REME Museum recognises the importance of managing performance and it does this by measuring a number of key areas and setting targets in the annual plan.

2025 performance

The Museum continues to see an increase in the number of visitors and generated an increase in admissions income to the sum of £99,939 (2024: £99,245). It also generated a further £5,047 from Corporate Hire, Education, Research Fees and Traders fee. Plus, a monetary value of a further £18,746 in services provided free of charge in support of the Corps.

The Museum received 1,275 email enquiries. The Archives department dealt with a total of 582 (2024: 617) research enquiries completing 506 (2024: 549). A total of 127 (2024: 127) new items were added to the collections with no reported losses. The Museum's educational programme delivered formal education workshops to 1,140 (2024: 2,370) school pupils accompanied by 332 (2024: 367) teachers and teaching assistants. The decrease in the number of pupils being due to the fact that in 2024 the Museum Education officer provided a stand at the Wiltshire Council STEM Day attended by 1,200 school pupils. The Museum Education Officer will be attending again in 2026.

Performance achieved against fundraising target

The Museum Development Fund raised £84,249 through the Gold Card Scheme and the Museum generated a further £99,939 (2024: £99,254) from admissions, education £6,228 (2024: £8,023) research £1,339 (2024: £1,534), venue hire £5,047 (2024: £3,921). The Museum also provided £18,746 (2024: £18,746) worth of free services in support of the Corps, in research, education, free admission and the use of corporate hire facilities. The Museum exceeded the admission income target of £95,750, and slightly exceeded the visitor numbers target of 19,000 with visitor numbers of 19,638. The Museum Development fund exceeded its income target of £80,300.

Infrastructure

There were no major infrastructure issues in 2025. The Museum has made significant progress on obtaining a 50-year Lease. A hardcopy of the Lease for signing by both the REME Charity and DIO was signed in April 2026.

FINANCIAL REVIEW

Reserves policy

The trustees' policy is not to keep a reserve in the Museum Fund because the Fund is essentially underwritten by The REME Charity. However, The REME Charity does not underwrite the Museum Development Fund. The trustees have decided to restrict expenditure from this fund to mounting exhibitions and the purchase of portable items in order to consolidate and improve the museum in Lyneham. The trustees assess that maintaining cash reserves of at least £50k would be an appropriate planning figure at present to meet this requirement.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

Funding sources

The REME Charity (registered number 1165868) provides a grant to assist with the operational costs for the REME Museum and to ensure its continued operation. The REME Charity also manages an investment portfolio of which the Museum has an aliquot shareholding of 2.3226% (2024: 2.3226%); quarterly dividends are received. Grant in Aid, admissions, room rental and archival research provide other revenue and the Gold Card Scheme provided funding for the Development Fund.

Income for the year totalled £567,104 (2024: £727,362) This is split between the Development Fund and the Museum Fund as follows:

Museum Fund income for the year totalled £476,172 (2024: £479,274) and included £205,314 MoD Grant in Aid (2024: £197,753), £99,939 (2024: £99,254) in admissions, £1,339 (2024: £1,534) in research fees, £6,228 (2024: £8,023) in education fees, £5,047 in venue hire (2024: £3,921), £131,162 (2024: £140,500) in grants from the REME Charity and other grants and donations of £4,545 (2024: £2,508), as well as services and facilities donated by MoD of £18,746 (2024: £18,746).

Development Fund income for the year totalled £90,932 (2024: £89,056), chiefly comprising the Museum Gold Card Scheme. This is a free admission membership scheme which serving officers and soldiers can volunteer for. A small monthly donation is collected over a 4 year period and is placed in the Museum Development Fund. Other income comprised investment income and bank interest of £906 (2024: £10,989) and grants, donations and other trading income of £5,486 (2024: £633).

In the prior year, there was also £159,032 grant income restricted to fund the Conspicuous Gallantry Cross medal purchase.

Expenditure

Expenditure for the year totalled £589,777 (2024: £546,890). This is split between the Development Fund, the Museum Fund and the British Museum Project as follows:

Museum Fund expenditure totalled £453,366 (2024: £411,193) and includes staff costs (including salaries and donated staff time) of £437,367 (2024: £400,229). Staff costs are supported by the Grant in Aid donation from MoD of £205,314 (2024: £197,753).

Development Fund expenditure totalled £136,411 (2024: £126,665) and includes depreciation of £61,378 (2024: £62,987), contractor costs of £5,535 (2024: £5,535), and advertising and marketing costs of £17,092 (2024: £20,295).

In the prior year there was also £9,032 of direct expenditure related to the storage of the Conspicuous Gallantry Cross medal, and a capital spend of £150,000 for the medal purchase.

British Museum Project expenditure totalled £Nil (2024: £Nil) but retains a balance of £2,325.

Investment policy

The Museum Development Fund has an investment aliquot share of 2.3226% in The REME Charity portfolio and follows their investment policy.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

The Museum's future aims are based on the following areas:

- a) Continue to increase visitor footfall, concentrating on events, group travel trade and education;
- b) To reduce reliance on the REME Charity for financial support;
- c) Expanding volunteer recruiting;
- d) Review collections for relevance;
- e) Develop the contemporary collection;
- f) Improve collections storage; and
- g) Develop links with Engineering Institutions.

A temporary exhibition was launched in Jan 26 entitled With Spanners Descending- REME's Airbourne War, the story of REME's support for Britain's airborne troops during World War Two.

There are plans to refresh some of case objects on display to provide new exhibitions to see in the galleries.

The Museum's had to dismantle the wildlife garden due to the growth of poisonous Hemlock. The Museum is planning to provide an area with a solid base (MOT type 1) and add raised planters to reestablish the wildlife gardens.

A programme of decorating the internal corridor walls followed by the galleries is in place to maintain the visual standards of the Museum.

With the provision of the wi-fi the Museum will look to provide enhanced displays in the galleries with QR codes that will provide detailed information, pictures and videos about the displays and items on view. Longer term there are plans in place to provide Artificial Reality (AR) within the galleries.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2025

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 26 May 2026 and signed on their behalf by



Brigadier Clare Phillips CBE - Chair

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 8 to the financial statements, 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. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Godfrey Wilson Limited

Date: 26 May 2026

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Godfrey Wilson Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Corps of Royal Electrical and Mechanical Engineers Museum

Statement of financial activities

For the year ended 31 December 2025

	Note	Restricted £	Unrestricted £	2025 Total £	Restated 2024 Total £
Income from:					
Donations	3	-	439,471	439,471	442,101
Charitable activities	4	-	112,051	112,051	270,351
Other trading activities		-	5,047	5,047	3,921
Investments	5	-	10,535	10,535	10,989
Total income		-	567,104	567,104	727,362
Expenditure on:					
Raising funds		-	6,305	6,305	6,375
Charitable activities		-	583,472	583,472	540,515
Total expenditure	7	-	589,777	589,777	546,890
Net income / (expenditure)		-	(22,673)	(22,673)	180,472
Transfers between funds		-	-	-	-
Net movement in funds	8	-	(22,673)	(22,673)	180,472
Reconciliation of funds:					
Total funds brought forward		2,325	2,067,720	2,070,045	1,889,573
Total funds carried forward		2,325	2,045,047	2,047,372	2,070,045

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

The prior period statement of financial activities has been restated due to a change in accounting policy as described in note 18 to the financial statements.

Corps of Royal Electrical and Mechanical Engineers Museum

Balance sheet

As at 31 December 2025

	Note	£	2025 £	Restated 2024 £
Fixed assets				
Tangible assets	11		248,111	249,147
Heritage assets	12		<u>1,367,099</u>	<u>1,367,099</u>
			1,615,210	1,616,246
Current assets				
Debtors	13	385,524		358,454
Cash at bank and in hand		<u>62,488</u>		<u>110,327</u>
		448,012		468,781
Liabilities				
Creditors: amounts falling due within 1 year	14	<u>(15,850)</u>		<u>(14,982)</u>
Net current assets			<u>432,162</u>	<u>453,799</u>
Net assets	15		<u>2,047,372</u>	<u>2,070,045</u>
Funds				
Restricted funds	16		2,325	2,325
Unrestricted funds				
Designated funds			384,456	429,935
General funds			<u>1,660,591</u>	<u>1,637,785</u>
Total charity funds			<u>2,047,372</u>	<u>2,070,045</u>

Approved by the trustees on 26 May 2026 and signed on their behalf by



Brigadier Clare Phillips CBE - Chair

Corps of Royal Electrical and Mechanical Engineers Museum

Statement of cash flows

For the year ended 31 December 2025

	2025 £	Restated 2024 £
Cash flows from operating activities:		
Net movement in funds	(22,673)	180,472
Adjustments for:		
Dividends, interest and rents from investments	(10,535)	(10,989)
Depreciation charges	61,378	62,987
Increase in debtors	(27,070)	(70,840)
Increase in creditors	868	5,111
	<u>1,968</u>	<u>166,741</u>
Net cash provided by operating activities	1,968	166,741
Cash flows from investing activities:		
Dividends, interest and rents from investments	10,535	10,989
Purchase of tangible fixed assets	(60,342)	(16,785)
Purchase of heritage assets	-	(150,000)
	<u>(49,807)</u>	<u>(155,796)</u>
Net cash used in investing activities	(49,807)	(155,796)
(Decrease) / increase in cash and cash equivalents in the year	(47,839)	10,945
Cash and cash equivalents at the beginning of the year	<u>110,327</u>	<u>99,382</u>
Cash and cash equivalents at the end of the year	<u>62,488</u>	<u>110,327</u>

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies

a) Basis of preparation

Corps of Royal Electrical and Mechanical Engineers Museum is an unincorporated charity registered in England and Wales. The registered office address is:

The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

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

Corps of Royal Electrical and Mechanical Engineers Museum 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.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the proportion of total costs basis:

	2025	2024
Raising funds	1.1%	1.2%
Charitable activities	98.9%	98.8%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and equipment	4 to 10 years straight line basis
-------------------------	-----------------------------------

Items of equipment are capitalised where the purchase price exceeds £2,000.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

j) Heritage assets

The charity is the repository of thousands of items, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation. Heritage assets are capitalised where the value on acquisition is £3,000 or above, and are held at historic cost.

Change in accounting policy

During the year, the trustees reviewed the appropriateness of the measurement basis for heritage assets and concluded that a cost-based approach provides more reliable and relevant information to the users of the financial statements.

Given the scale and diversity of the collection (in excess of 130,000 items), obtaining regular, comprehensive valuations would involve disproportionate cost and effort. In addition, many items are unique and lack active markets, resulting in valuations that are inherently subjective and of limited reliability. The assets are held for their service potential in furtherance of the charity's objectives and are not held for sale; accordingly, current value information is of limited relevance to users of the financial statements.

The change has therefore been made in accordance with FRS 102 Section 10 on the basis that it results in more reliable and relevant information. The change in policy has been applied retrospectively; the carrying value of heritage assets at the date of transition to the current accounting framework (y/e 31 December 2014) has been treated as deemed cost, with later additions included at purchase price or fair value at the date of acquisition.

See note 18 to the financial statements for further details of the impact of the change in policy.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

o) Pension costs

The charity's payroll is operated by The REME Charity (the parent charity) which operates a defined contribution pension scheme for the employees. There are no further liabilities other than that already recognised in the SOFA.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities (restated)

	Restricted £	Unrestricted £	2024 Total £
Income from:			
Donations	-	442,101	442,101
Charitable activities	159,032	111,319	270,351
Other trading activities	-	3,921	3,921
Investments	-	10,989	10,989
Total income	159,032	568,330	727,362
Expenditure on:			
Raising funds	-	6,375	6,375
Charitable activities	9,032	531,483	540,515
Total expenditure	9,032	537,858	546,890
Net income	150,000	30,472	180,472
Transfers between funds	(150,000)	150,000	-
Net movement in funds	-	180,472	180,472

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

3. Income from donations

	2025	2024
	Total	Total
	£	£
MoD Grant-In-Aid	205,314	197,753
Serving officers and soldiers (Gold Card)	84,249	84,522
Donated services and facilities*	18,746	18,746
The REME Charity	131,162	140,500
Individuals	-	580
	<hr/>	<hr/>
Total income from donations	<u>439,471</u>	<u>442,101</u>

All income from donations in the current and prior year was unrestricted.

* Donated services and facilities consists of:

	2025	2024
	Total	Total
	£	£
Donated staff time	<u>18,746</u>	<u>18,746</u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

4. Income from charitable activities

	Restricted £	Unrestricted £	2025 Total £
Grants	-	4,545	4,545
Museum admissions	-	99,939	99,939
Children's activities	-	6,228	6,228
Research	-	1,339	1,339
Total income from charitable activities	-	112,051	112,051

Prior year comparative

	Restricted £	Unrestricted £	2024 Total £
Grants	159,032	2,508	161,540
Museum admissions	-	99,254	99,254
Children's activities	-	8,023	8,023
Research	-	1,534	1,534
Total income from charitable activities	159,032	111,319	270,351

5. Investment income

Investment income includes interest earned on cash held in deposit accounts and investments by The REME Charity on behalf of the charity. At 31 December 2025 The REME Charity's investments balance, reported in those accounts as 'Aliquot shares', includes a total market value of £371,421 (2024: £361,639) held on behalf of the charity. The charity's share of income generated by the investments was £9,629 (2024: £9,761). Interest earned on cash held in deposit accounts was £906 (2024: £1,228).

6. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence, the National Lottery Heritage Fund, and Arts Council England (via the Victoria and Albert Museum) to fund charitable activities. The total value of such grants in the period ending 31 December 2025 was £346,105 (2024: £356,785). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2025 Total £
Staff costs (note 9)	5,535	413,086	18,746	437,367
Displays and exhibits	-	10,694	-	10,694
Materials, maintenance and repairs	-	-	6,252	6,252
Subscriptions	-	15,730	-	15,730
Software and website costs	-	-	15,477	15,477
Cleaning	-	-	442	442
Other office costs	-	11,357	7,938	19,295
Advertising and marketing	-	-	17,092	17,092
Legal and professional	-	-	6,050	6,050
Depreciation	-	61,378	-	61,378
Sub-total	5,535	512,245	71,997	589,777
Allocation of support and governance costs	<u>770</u>	<u>71,227</u>	<u>(71,997)</u>	<u>-</u>
Total expenditure	<u>6,305</u>	<u>583,472</u>	<u>-</u>	<u>589,777</u>

Total governance costs were £7,260 (2024: £6,960).

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

7. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2024 Total £
Staff costs (note 9)	5,535	375,948	18,746	400,229
Other staff costs	-	4,596	-	4,596
Displays and exhibits	-	16,552	-	16,552
Materials, maintenance and repairs	-	-	6,539	6,539
Subscriptions	-	9,186	-	9,186
Software and website costs	-	-	969	969
Cleaning	-	-	911	911
Other office costs	-	-	14,685	14,685
Advertising and marketing	-	-	23,276	23,276
Legal and professional	-	-	6,960	6,960
Depreciation	-	62,987	-	62,987
Sub-total	5,535	469,269	72,086	546,890
Allocation of support and governance costs	840	71,246	(72,086)	-
Total expenditure	6,375	540,515	-	546,890

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

8. Net movement in funds

This is stated after charging:

	2025 £	2024 £
Depreciation	61,378	62,987
Loss on disposal of assets	-	-
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (excluding VAT)	<u>6,050</u>	<u>5,800</u>

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

9. Staff costs and numbers

Staff costs were as follows:

	2025 £	2024 £
Staff salaries recharged by The REME Charity	413,086	375,948
Donated staff costs	18,746	18,746
Freelance staff	<u>5,535</u>	<u>5,535</u>
	<u>437,367</u>	<u>400,229</u>

No employee earned more than £60,000 during the current or prior year.

The key management personnel of the charity comprise the Trustees, the CEO and Museum Director.

The total employee remuneration of the key management personnel (paid by the parent charity) was £51,747 (2024: £49,701).

	2025 No.	2024 No.
Average head count	<u>13.67</u>	<u>15.83</u>

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

11. Tangible fixed assets	Total
Furniture and equipment	£
Cost	
At 1 January 2025	769,794
Additions in year	60,342
Disposals	-
	<hr/>
At 31 December 2025	830,136
	<hr/>
Depreciation	
At 1 January 2025	520,647
Charge for the year	61,378
On disposals	-
	<hr/>
At 31 December 2025	582,025
	<hr/>
Net book value	
At 31 December 2025	248,111
	<hr/> <hr/>
At 31 December 2024	249,147
	<hr/> <hr/>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

12. Heritage assets

	Documentary Archive £	Medals £	Models £	Art £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Restated Total £
Cost at 1 January 2025 (as restated)									
and at 31 December 2025	7,000	185,100	164,500	89,000	10,000	792,000	104,500	14,999	1,367,099

All heritage assets are deemed to be measured at historic cost. This is a change in accounting policy in the current period, and has been applied retrospectively to the opening cost of each class of asset, as described in note 18. The majority of heritage assets are donated items. These are recognised on receipt at fair value, and this is subsequently treated as their deemed cost.

Five year financial summary of heritage asset transactions:

	2025 £	Restated 2024 £	Restated 2023 £	2022 £	Restated 2021 £
Additions					
Purchases	-	150,000	21,600	-	-
Donations	-	-	-	33,000	-
Total additions	-	150,000	21,600	33,000	-
Disposals					
Carrying value	-	-	5,250	754,008	42,510
Sales proceeds	-	-	-	-	-

During 2022, the REME Museum de-recognised all heritage assets with a value less than £3,000 and this resulted in an extraordinary disposal of heritage assets during the year ended 31 December 2022. This was a one-time occurrence and no assets were sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

12. Heritage assets (continued)

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

The charity's collections comprise over 130,000 items, this includes accessioned items and items held as E numbers yet to be accessioned. Items are held at historic cost and capitalised where the cost or deemed cost on acquisition is at least £3,000.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

13. Debtors

	2025 £	2024 £
Accrued income	11,847	9,982
Prepayments	9,762	10,667
Due from REME Charity	<u>363,915</u>	<u>337,805</u>
	<u><u>385,524</u></u>	<u><u>358,454</u></u>

14. Creditors : amounts due within 1 year

	2025 £	2024 £
Accruals	15,789	11,013
Other creditors	<u>61</u>	<u>3,969</u>
	<u><u>15,850</u></u>	<u><u>14,982</u></u>

15. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	248,111	1,367,099	1,615,210
Current assets	2,325	136,345	309,342	448,012
Current liabilities	<u>-</u>	<u>-</u>	<u>(15,850)</u>	<u>(15,850)</u>
Net assets at 31 December 2025	<u><u>2,325</u></u>	<u><u>384,456</u></u>	<u><u>1,660,591</u></u>	<u><u>2,047,372</u></u>
Prior year comparative (restated)	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	249,147	1,367,099	1,616,246
Current assets	2,325	180,788	285,668	468,781
Current liabilities	<u>-</u>	<u>-</u>	<u>(14,982)</u>	<u>(14,982)</u>
Net assets at 31 December 2024	<u><u>2,325</u></u>	<u><u>429,935</u></u>	<u><u>1,637,785</u></u>	<u><u>2,070,045</u></u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

16. Movements in funds

	At 1 January 2025 £	Income £	Expenditure £	At 31 December 2025 £
Restricted funds				
British Museum Project	<u>2,325</u>	<u>-</u>	<u>-</u>	<u>2,325</u>
Total restricted funds	<u>2,325</u>	<u>-</u>	<u>-</u>	<u>2,325</u>
Unrestricted funds				
<i>Designated funds:</i>				
Museum Development	<u>429,935</u>	<u>90,932</u>	<u>(136,411)</u>	<u>384,456</u>
<i>Total designated funds</i>	<u>429,935</u>	<u>90,932</u>	<u>(136,411)</u>	<u>384,456</u>
General funds	<u>1,637,785</u>	<u>476,172</u>	<u>(453,366)</u>	<u>1,660,591</u>
Total unrestricted funds	<u>2,067,720</u>	<u>567,104</u>	<u>(589,777)</u>	<u>2,045,047</u>
Total funds	<u><u>2,070,045</u></u>	<u><u>567,104</u></u>	<u><u>(589,777)</u></u>	<u><u>2,047,372</u></u>

Purposes of restricted funds

British Museum Project

This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Purposes of designated funds

Museum Development

The museum development fund represents income and expenditure the trustees have set aside for the development of the museum over and above the day to day running.

Transfers between funds

Transfers between funds in 2024 represented general funds released on the purchase of an heritage asset with restricted funding. At the point of purchase, all restrictions were extinguished.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

16. Movements in funds (continued)

Prior year comparative (restated)

	At 1 January 2024 £	Income £	Expenditure £	Transfers £	At 31 December 2024 £
Restricted funds					
British Museum Project	2,325	-	-	-	2,325
Conspicuous Gallantry Cross	-	159,032	(9,032)	(150,000)	-
Total restricted funds	<u>2,325</u>	<u>159,032</u>	<u>(9,032)</u>	<u>(150,000)</u>	<u>2,325</u>
Unrestricted funds					
<i>Designated funds:</i>					
Museum development	467,544	89,056	(126,665)	-	429,935
<i>Total designated funds</i>	<u>467,544</u>	<u>89,056</u>	<u>(126,665)</u>	<u>-</u>	<u>429,935</u>
General funds	1,419,704	479,274	(411,193)	150,000	1,637,785
Total unrestricted funds	<u>1,887,248</u>	<u>568,330</u>	<u>(537,858)</u>	<u>150,000</u>	<u>2,067,720</u>
Total funds	<u><u>1,889,573</u></u>	<u><u>727,362</u></u>	<u><u>(546,890)</u></u>	<u><u>-</u></u>	<u><u>2,070,045</u></u>

17. Related party transactions

The charity's parent entity is The REME Charity (company number 10036700, charity number 1165868), incorporated in the UK. The consolidated accounts are available on the Companies House website. The registered address is the same as that of The REME Museum. The REME Charity is the controlling party and is the sole corporate trustee.

During the year the charity received donations totalling £139,850 from The REME Charity (2024: £149,462). The REME Charity operates payroll and manages transactions through their bank account for the charity. As described in note 5 to the accounts, The REME Charity also holds investments for the charity. The market value of the investments at 31 December 2025 was £371,418 (2024: £361,639), and investment income generated in the year was £9,779 (2024: £9,761). The original transfer of cash for investment is represented in the intercompany balance. At the year end £363,915 was due from The REME Charity (2024: £337,805).

During the year, approximately £18,746 (2024: £18,746) of "free charges" was donated to the REME family in research fees, entrance fees and conference room bookings.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

18. Prior period restatement

Prior period comparatives have been restated to account for the following change in accounting policy: heritage assets previously held under the revaluation model have been restated to be held under the historic cost model. This impacts the value of heritage assets at 31 December 2024, the value of funds brought forward at 1 January 2024 and carried forward at 31 December 2024, and gains / losses recognised in the year ended 31 December 2024.

Funds	General funds £	Total funds £
As originally stated at 1 January 2024	2,175,431	2,645,300
Adjustment for change in accounting policy	<u>(755,727)</u>	<u>(755,727)</u>
As restated at 1 January 2024	<u>1,419,704</u>	<u>1,889,573</u>
As originally stated at 31 December 2024	2,415,012	2,847,272
Adjustment for change in accounting policy	<u>(777,227)</u>	<u>(777,227)</u>
As restated at 31 December 2024	<u>1,637,785</u>	<u>2,070,045</u>
Gains / (losses) on revaluation of heritage assets		2024 £
As originally stated		21,500
Adjustment for change in accounting policy		<u>(21,500)</u>
As restated for the year ended 31 December 2024		<u>-</u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2025

18. Prior period adjustment (continued)

Heritage assets

	Documentary Archive £	Medals £	Models £	Art £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Total £
As originally stated	7,000	187,600	164,500	98,227	10,000	1,536,000	126,000	14,999	2,144,326
Change in accounting policy	-	(2,500)	-	(9,227)	-	(744,000)	(21,500)	-	(777,227)
As restated at 31 December 2024	7,000	185,100	164,500	89,000	10,000	792,000	104,500	14,999	1,367,099

Five year financial summary of heritage asset transactions (as restated, excluding current year):

	2024 £	2023 £	2022 £	2021 £
Additions				
Purchases	150,000	21,600	-	-
Donations	-	-	33,000	-
Total additions	150,000	21,600	33,000	-
Disposals				
Carrying value	-	5,250	754,008	42,510
Sales proceeds	-	-	-	-

CORPS OF ROYAL ELECTRICAL AND MECHANICAL ENGINEERS MUSEUM

England & Wales - Charity number 272740

Accounts

Charity no. 272740

**Corps of Royal Electrical and Mechanical
Engineers Museum
Report and Audited Financial Statements
31 December 2024**



Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2024

Charity number 272740

Registered office and operational address The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees The trustees who served during the year and up to the date of this report were as follows:

The REME Charity - sole corporate trustee

Trustees of The REME Charity:

Brig C P Phillips CBE	Chair
Maj Gen S M Andrews CBE	Chair - resigned 23 May 2024
Cmdr M Ashton RN	
Lt CI Abigail Brown	appointed 23 May 2024
Col M J A Bullard MBE	resigned 23 May 2024
Cap H Burns	
J Foster	appointed 17 January 2024
Col (Retd) R Fram MC	
Maj P C D Hembery	
Mr T Hirst MSc CEng	
Col D G Scott ADC	
Maj A Shand CEng	
Col M A Simpson QVRM TD VR	resigned 23 May 2024
P Tumim	

Principal staff Mrs Barbel Harris Chief Executive Officer
Major (Retd) R J Henderson Museum Director

Bankers Holt's Military Banking
The Royal Bank of Scotland Plc
200 Fowler Avenue
Fowler Business Park
Farnborough
GU14 7JP

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2024

Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2016, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The REME Museum appointed The REME Charity as its sole corporate trustee on 7 June 2016. First registered on 10 December 1976, the Governing Document was a Trust Deed; unincorporated association, which was varied by scheme on 28 April 1998 and further amended by the scheme on 7 June 2016.

Background

The REME Museum was first established in 1958 and was located in Moat House in Arborfield. Later the REME Museum was expanded and the collection was held over two locations, the main museum moved from Moat House to a new location in Hazebrouck Barracks in Arborfield and a vehicle collection was established in Prince Phillip Barracks in Bordon. In November 2015, and as part of the larger Defence Technical Training Change Programme move, the REME Museum relocated to its current location in MoD Lyneham. The main collection is held in building 311 and the reserve vehicle collection is held in building 184, a hangar at A site.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the board of trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the board remains current and effective.

Organisational structure and governance

The board of trustees is an independent decision-making governing body which meets at least twice a year. The board consists of 11 trustees led by a Chairman. Trustees are given responsibility for different areas of the business, with the Museum having a dedicated trustee. The Museum Development Committee meets twice yearly and short, medium, and long-term plans are reviewed. The execution of the day to day running of the business is delegated to the Museum Director.

Relationships with other charities

The Museum Fund is a designated fund within The REME Charity, which has the responsibility for governance, invests the Museum's reserves, provides an annual grant and employs the museum staff. The Museum Development Fund raises its own income through donations, independently of The REME Charity.

Risk management

The REME Charity maintains a risk register which includes risk to the Museum and is reviewed annually. Risks are categorised in five main areas, Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. The REME Museum is dependent on MOD support for staff wages and its building infrastructure and support from The REME Charity. If the MoD funded Grant in Aid ceased and the MOD decided to charge rent for the building, this would have significant impact on the Museum's ability to operate profitably. The Museum is working to become self-sufficient but in the short term, has the financial backing of The REME Charity.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

OBJECTS AND ACTIVITIES

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit. The REME Museum provides public benefit by educating the visitors about the character, activities and history of the British Army and specifically the Corps of REME. It does this by telling a compelling story of those who served in the REME, by providing a community hub to build and strengthen the links between the military and civilian communities, and by providing a place of education for soldiers and school children.

Object

The defined object of the REME Museum is to uphold the traditions of the Corps of REME and to perpetuate its deeds.

The REME Museum fulfils its object by holding and maintaining the Corps Collections and ensuring that new members of the Corps are educated in its history. It accurately accounts for all items in the collections and ensures appropriate security measures are in place. It shares its history through loans to other museums and through allowing the general public access to its collections and/or historical records.

2024 themes and activities

The Museum enjoyed another hugely successful year. The following was achieved:

- a) **Education.** The Education Officer has delivered interesting but relatable workshops in line with the national curriculum. The STEM workshops; Lego Engineering, Rocket Powered and Crack the Code are very popular. He is now promoting a new workshop entitled, Citizenship. This explores the issues of being a modern global citizen in group workshops, based on our acquisition of the highest gallantry medal, awarded to a REME soldier, the Conspicuous Gallantry Cross. The Scouts Mechanic Activity badge workshop is also proving to be a successful addition. This is a recognised Scouts badge and supported by the British Army which. The Museum Development manager continues to deliver the weekly presentations to military students at MOD Lyneham. This entails a brief on the Corps' heritage and the part the REME Museum plays in promoting and preserving it. We also host ad hoc quiz tours around the galleries for students at Lyneham awaiting training to increase their knowledge about the Corps heritage.
- b) **New Display.** The Museum unveiled its latest permanent display in in April 2024. The Conspicuous Gallantry Cross (CGC) awarded to Warrant Officer Class 2 Adam 'Dusty' Miller CGC, the highest gallantry honour awarded to any REME soldier and the only one of its kind. The display also contains Miller's campaign and service medals, and photographs and documents relating to the CGC, including the award citation.
- c) **Reputation.** VisitEngland awarded the Museum the Welcome Accolade in 2024 having scored a 100% in this category. The Museum achieved an overall score of 92%. The high standards throughout the Museum triggered a nomination for the VisitEngland Gold accolade. In addition, the Museum also reached the benchmark scores for the Welcome, Quality Food and Drink and Best Told Story VisitEngland Accolades. To be nominated yet again for the Gold accolade is a significant recognition of all areas of the Museum's operation. The Museum continues to receive a large number of very positive comments in the visitor's book and on trip advisor. We received a 2024 Travellers Choice Award from Trip Advisor.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

- d) **Social media.** The number of online engagements and followers continues to increase. This without doubt is due the appointment of a full time Social Media and Digital Marketing Officer. The increase in Museum visits and larger attendance at events is evidence in support of this.
- e) **Advertising.** The Museum advertising plan continues to see an increase in visitor numbers. This was enhanced in 2024 with radio adverts and adverts on buses paid for by National Heritage Lottery Funding in support of the Adam Miller CGC achieved by use of fence banners to advertise events, hard copy and online adverts as well a quad fold leaflet that was distributed in all major outlets within a 45-minute drive time from the Museum. All of this was also enhanced with paid for Facebook adverts.
- f) **Events.** Yet again the Museum's events calendar proved to be a huge success in 2024, with 3 of the major events selling out.
- g) **Collections care.** A plan to improve the storage of the reserve weapons collection in the Armoury in camp was placed on hold due other priorities and lack of resources.

Strategies to achieve objects

The trustees make an annual estimate of the likely financial call on the Museum based upon historical data and a planned budget. A grant of £149,500 from The REME Charity was required in 2024. Income to the Museum Development Fund comes from donations to the Gold Card scheme. The scheme is open to serving members of REME and provides free admission for life for the individual concerned and their family, in return for a small monthly donation over four years. These income strategies enable the object to be met.

Significant charitable activities

The Museum secured the acquisition of Mr Adam Miller's Conspicuous Gallantry Cross (CGC). Mr Miller and his family attended the unveiling of the new display in April 2024. This is the only CGC awarded to date to a REME soldier. The Museum continues to provide free use of the education suite on most Mondays to the Alzheimer's Support Group. The vast majority of Museum staff attended Emergency First Aid at Work and Manual Handling Training in year.

A total of 1,589 adults and 427 children attended the Museum using the Gold card scheme. A further 830 military personnel visited as part of DSEME induction visits or hosting VIPs at Army HQ or REME RHQ request. Throughout 2024 the Museum continued to provide displays at external events such as the Capel Military Vehicle show where the Museum's Sherman M32 (Armoured Recovery Vehicle) was on display.

ACHIEVEMENTS AND PERFORMANCE

Performance management

The REME Museum recognises the importance of managing performance and it does this by measuring a number of key areas and setting targets in the annual plan.

2024 performance

The Museum continues to see an increase in the number of visitors of 18,279 visitors and generated an increase in admissions income to the sum of £99,254. It also generated a further £14,111 from Corporate Hire, Education, Research Fees and Donations. Plus, a monetary value of a further £18,746 in services provided free of charge in support of the Corps.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

The Museum received 902 (2023: 806) email enquiries. The Archives department dealt with a total of 617 (531) research enquiries completing 549 (504). A total of 127 (188) new items were added to the collections with no reported losses. The Museum's educational programme delivered formal education workshops to 2,370 (1,702) school pupils accompanied by 367 (166) teachers and teaching assistants.

Performance achieved against fundraising target

The Museum Development Fund raised £84,522 through the Gold Card Scheme and the Museum generated a further £99,254 (2023: £83,565) from admissions, education £8,023 (£8,009) research £1,534 (£2,258), Corporate hire £3,921 (£1,890) and £633 (£305) in donations. The Museum also provided £18,746 (£17,346) worth of free services in support of the Corps, in research, education, free admission and the use of corporate hire facilities. The Museum exceeded the income target of £80,000, but whilst it achieved a slight increase on the previous year visitor numbers 18,279 (18,059) it was slightly down on the ambitious visitor number target of 19,000. The Museum Development fund exceeded its income targets.

Infrastructure

There were no major infrastructure issues in 2024. The feedback from MOD Lyneham regarding the request to be included on any proposed installation of E- charging points is, as a lodger unit this will not happen at the same time as MOD Lyneham installation. It will be possible at a later date funds permitting. There has been slow progress on the issuing of a formal lease from the DIO Land Management Services (LMS). The Museum is now in possession of a fully signed Internal Business Agreement (IBA) which was required to progress the issuing of a Lease. The Museum still has a signed letter from the MOD stating that terms have been agreed upon for a 30-year lease by the Secretary of State for Defence. The Museum has requested a 50- year lease in the proposed draft lease in line with the previous lease held at Arborfield.

FINANCIAL REVIEW

Reserves policy

The trustees' policy is not to keep a reserve in the Museum Fund because the Fund is essentially underwritten by The REME Charity. However, The REME Charity does not underwrite the Museum Development Fund. The trustees have decided to restrict expenditure from this fund to mounting exhibitions and the purchase of portable items in order to consolidate and improve the museum in Lyneham. The trustees assess that maintaining cash reserves of at least £100,000 would be an appropriate planning figure at present to meet this requirement.

Funding sources

The REME Charity (registered number 1165868) provides a grant to assist with the operational costs for the REME Museum and to ensure its continued operation. The REME Charity also manages an investment portfolio of which the Museum has an aliquot shareholding of 2.3226% (2023: 2.3541%); quarterly dividends are received. Grant in Aid, admissions, room rental and archival research provide other revenue and the Gold Card Scheme provided funding for the Development Fund.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

Income for the year totalled £727,362 (2023: £528,488) This is split between the Development Fund and the Museum Fund as follows:

Museum Fund income for the year totalled £479,274 (2023: £433,848) and included £197,753 MoD Grant in Aid (2023: £189,242), £99,254 (2023: £83,565) in admissions, £1,534 (2023: £2,258) in research fees, £8,023 (2023: £8,009) in education fees, £3,921 in venue hire (2023: £1,890), £140,500 (2023: £121,207) in grants from the REME Charity and other grants and donations of £57,885 (2023: £67,008), as well as services and facilities donated by MoD of £18,746 (2023: £17,290).

Development Fund income for the year totalled £89,056 (2023: £94,640). The Museum Gold Card Scheme is a free admission membership scheme in which serving officers and soldiers can volunteer for. A small monthly donation is collected over a 4 year period and is placed in the Museum Development Fund. Other income comprised investment income and bank interest of £10,989 (2023: £10,365) and grants, donations and other trading income of £633 (2023: £305).

There was also £159,032 grant income restricted to fund the Conspicuous Gallantry Cross medal purchase.

Expenditure

Expenditure for the year totalled £546,890 (2023: £488,401). This is split between the Development Fund, the Museum Fund and the British Museum Project as follows:

Museum Fund expenditure totalled £261,193 (2023: £393,971) and includes staff costs (including salaries and donated staff time) of £394,694 (2023: £344,224), and, in the prior year, a loss on disposal of heritage assets of £5,250. Staff costs are supported by the Grant in Aid donation from MoD of £197,753 (2023: £189,242).

Development Fund expenditure totalled £126,665 (2023: £94,430) and includes depreciation of £62,987 (2023: £64,070), contractor costs of £5,535 (2023: £5,940), and advertising and marketing costs of £20,295 (2023: £12,239).

There was also £9,032 of direct expenditure related to the storage of the Conspicuous Gallantry Cross medal, and a capital spend of £150,000 for the medal purchase.

British Museum Project expenditure totalled £Nil (2023: £Nil) but retains a balance of £2,325.

Investment policy

The Museum Development Fund has an investment aliquot share of 2.3226% in The REME Charity portfolio and follows their investment policy.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

The Museum's future aims are based on the following areas:

- a) Continue to increase visitor footfall, concentrating on events, group travel trade and education;
- b) To reduce reliance on the REME Charity for financial support;
- c) Expanding volunteer recruiting;
- d) Review collections for relevance;
- e) Develop the contemporary collection;
- f) Improve collections storage; and
- g) Develop links with Engineering Institutions.

The Museum plans to provide free guest wi-fi access in all areas of the Museum. This is expected to be fully operational in early 2025.

With the provision of the wi-fi the Museum will look to provide enhanced displays in the galleries with QR codes that will provide detailed information, pictures and videos about the displays and items on view. Longer term there are plans in place to provide Artificial Reality (AR) within the galleries.

We will be introducing 'Lights up, and Sounds down' days in 2025. These 'Lights Up, Sounds Down' days will reduce sensory input for individuals who would prefer a quieter experience. These sessions are primarily for, though not limited to, anyone who has sensory processing disorder; autism; social, emotional or mental health needs; dementia, post-traumatic stress disorder (PTSD) or any other sensory needs.

A temporary exhibition was launched in Jan 25 entitled Corps Connections. In the years following REME's formation in 1942, equivalent 'sister' corps were set up across the world. This exhibition celebrates the uniqueness of these Electrical and Mechanical Engineering (EME) corps.

The Museum's initial aspiration to build a classroom sized Anderson Shelter installed next to the Dig 4 Victory Garden was put on hold due to excessive quotes. The Museum will continue to explore options as this is still a project the Museum is keen to provide.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2024

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 14 May 2025 and signed on their behalf by



Brigadier Clare Phillips CBE - Chair

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

Opinion

We have audited the financial statements of Corps of Royal Electrical and Mechanical Engineers Museum (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet and the related notes to the financial statements, 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 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 7 to the financial statements, 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. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report

To the trustees of

Corps of Royal Electrical and Mechanical Engineers Museum

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Godfrey Wilson Limited

Date: 14 May 2025

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Godfrey Wilson Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Corps of Royal Electrical and Mechanical Engineers Museum

Statement of financial activities

For the year ended 31 December 2024

	Note	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Income from:					
Donations	2	-	442,101	442,101	419,921
Charitable activities	3	159,032	111,319	270,351	96,312
Other trading activities		-	3,921	3,921	1,890
Investments	4	-	10,989	10,989	10,365
Total income		<u>159,032</u>	<u>568,330</u>	<u>727,362</u>	<u>528,488</u>
Expenditure on:					
Raising funds		-	6,375	6,375	7,046
Charitable activities		<u>9,032</u>	<u>531,483</u>	<u>540,515</u>	<u>481,355</u>
Total expenditure	6	<u>9,032</u>	<u>537,858</u>	<u>546,890</u>	<u>488,401</u>
Net income		150,000	30,472	180,472	40,087
Transfers between funds		(150,000)	150,000	-	-
Other recognised gains					
Gains/(losses) on revaluation of heritage assets		-	<u>21,500</u>	<u>21,500</u>	<u>(35,000)</u>
Net movement in funds	7	-	201,972	201,972	5,087
Reconciliation of funds:					
Total funds brought forward		<u>2,325</u>	<u>2,642,975</u>	<u>2,645,300</u>	<u>2,640,213</u>
Total funds carried forward		<u><u>2,325</u></u>	<u><u>2,844,947</u></u>	<u><u>2,847,272</u></u>	<u><u>2,645,300</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

All income and expenditure in the prior year was unrestricted.

Corps of Royal Electrical and Mechanical Engineers Museum

Balance sheet

As at 31 December 2024

	Note	£	2024 £	2023 £
Fixed assets				
Tangible assets	10		249,147	295,349
Heritage assets	11		2,144,326	1,972,826
			2,393,473	2,268,175
Current assets				
Debtors	12	358,454		287,614
Cash at bank and in hand		110,327		99,382
		468,781		386,996
Liabilities				
Creditors: amounts falling due within 1 year	13	(14,982)		(9,871)
Net current assets			453,799	377,125
Net assets	14		2,847,272	2,645,300
Funds	15			
Restricted funds			2,325	2,325
Unrestricted funds				
Designated funds			429,935	467,544
General funds			2,415,012	2,175,431
Total charity funds			2,847,272	2,645,300

Approved by the trustees on 14 May 2025 and signed on their behalf by



Brigadier Clare Phillips CBE - Chair

Corps of Royal Electrical and Mechanical Engineers Museum

Statement of cash flows

For the year ended 31 December 2024

	2024	2023
	£	£
Cash used in operating activities:		
Net movement in funds	201,972	5,087
Adjustments for:		
Dividends, interest and rents from investments	(10,989)	(10,365)
Depreciation charges	62,987	64,070
Loss on disposal of heritage assets	-	5,250
Revaluation (gains) / losses on heritage assets	(21,500)	35,000
Increase in debtors	(70,840)	(55,690)
Increase in creditors	5,111	805
	<u>166,741</u>	<u>44,157</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Dividends, interest and rents from investments	10,989	10,365
Purchase of tangible fixed assets	(16,785)	(4,857)
Purchase of heritage assets	(150,000)	(21,600)
	<u>(155,796)</u>	<u>(16,092)</u>
Net cash used in investing activities		
Increase in cash and cash equivalents in the year	10,945	28,065
Cash and cash equivalents at the beginning of the year	<u>99,382</u>	<u>71,317</u>
Cash and cash equivalents at the end of the year	<u><u>110,327</u></u>	<u><u>99,382</u></u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies

a) Basis of preparation

Corps of Royal Electrical and Mechanical Engineers Museum is an unincorporated charity registered in England and Wales. The registered office address is:

The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

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

Corps of Royal Electrical and Mechanical Engineers Museum 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.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the proportion of total costs basis:

	2024	2023
Raising funds	1.2%	1.4%
Charitable activities	98.8%	98.6%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and equipment	4 to 10 years straight line basis
-------------------------	-----------------------------------

Items of equipment are capitalised where the purchase price exceeds £2,000.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

j) Heritage assets

The charity is the repository of thousands of items, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase. The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations which are by their nature subjective. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and no written valuations are available. The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation.

The charity's collections comprise over 130,000 items. It is not deemed practical or financially viable to revalue every item within a six-year cycle. The charity has set a valuation limit of £3,000 and only accessioned heritage assets above this limit will be revalued within the rolling cycle, if possible to do so. The charity's staff will endeavour to produce a value for all new acquisitions, including using subject matter experts if required. However, only those valued £3,000 or over will be capitalised as heritage assets.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

o) Pension costs

The charity's payroll is operated by The REME Charity (the parent charity) which operates a defined contribution pension scheme for the employees. There are no further liabilities other than that already recognised in the SOFA.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies (continued)

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Valuation of heritage assets

The charity's heritage assets are stated at their estimated fair value as disclosed in note 1j and note 11.

2. Income from donations

	Restricted	Unrestricted	2024 Total	2023 Total
	£	£	£	£
MoD Grant-In-Aid	-	197,753	197,753	189,242
Serving officers and soldiers (Gold Card)	-	84,522	84,522	89,569
Donated services and facilities*	-	18,746	18,746	17,290
The REME Charity	-	140,500	140,500	121,207
Individuals	-	580	580	2,613
Total income from donations	-	442,101	442,101	419,921

All income from donations in the prior year was unrestricted.

* Donated services and facilities consists of:

	2024 Total	2023 Total
	£	£
Donated staff time	18,746	17,290

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

3. Income from charitable activities

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Grants	159,032	2,508	161,540	2,480
Museum admissions	-	99,254	99,254	83,565
Children's activities	-	8,023	8,023	8,009
Research	-	1,534	1,534	2,258
Total income from charitable activities	<u>159,032</u>	<u>111,319</u>	<u>270,351</u>	<u>96,312</u>

All income from charitable activities in the prior year was unrestricted.

4. Investment income

Investment income includes interest earned on cash held in deposit accounts and investments by The REME Charity on behalf of the charity. At 31 December 2024 The REME Charity's investments balance, reported in those accounts as 'Aliquot shares', includes a total market value of £361,639 (2023: £331,552) held on behalf of the charity. The charity's share of income generated by the investments was £9,761 (2023: £9,436). Interest earned on cash held in deposit accounts was £1,228 (2023: £929).

5. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence, the National Lottery Heritage Fund, and Arts Council England (via the Victoria and Albert Museum) to fund charitable activities. The total value of such grants in the period ending 31 December 2024 was £356,785 (2023: £189,242). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2024 Total £
Staff costs (note 8)	5,535	375,948	18,746	400,229
Other staff costs	-	4,596	-	4,596
Displays and exhibits	-	16,552	-	16,552
Materials, maintenance and repairs	-	-	6,539	6,539
Subscriptions	-	9,186	-	9,186
Software and website costs	-	-	969	969
Cleaning	-	-	911	911
Other office costs	-	-	14,685	14,685
Advertising and marketing	-	-	23,276	23,276
Legal and professional	-	-	6,960	6,960
Depreciation	-	62,987	-	62,987
Sub-total	5,535	469,269	72,086	546,890
Allocation of support and governance costs	840	71,246	(72,086)	-
Total expenditure	6,375	540,515	-	546,890

Total governance costs were £6,960 (2023: £6,600).

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

6. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Staff costs (note 8)	5,940	326,934	17,290	350,164
Other staff costs	-	1,872	-	1,872
Displays and exhibits	-	4,424	-	4,424
Materials, maintenance and repairs	-	-	6,699	6,699
Subscriptions	-	3,282	-	3,282
Software and website costs	-	-	4,546	4,546
Cleaning	-	-	13,324	13,324
Other office costs	-	-	13,034	13,034
Advertising and marketing	-	-	15,136	15,136
Legal and professional	-	-	6,600	6,600
Loss on disposal of heritage assets	-	5,250	-	5,250
Depreciation	-	64,070	-	64,070
Sub-total	5,940	405,832	76,629	488,401
Allocation of support and governance costs	<u>1,106</u>	<u>75,523</u>	<u>(76,629)</u>	<u>-</u>
Total expenditure	<u>7,046</u>	<u>481,355</u>	<u>-</u>	<u>488,401</u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

7. Net movement in funds

This is stated after charging:

	2024 £	2023 £
Depreciation	62,987	64,070
Loss on disposal of assets	-	5,250
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (excluding VAT)	<u>5,800</u>	<u>5,500</u>

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

8. Staff costs and numbers

Staff costs were as follows:

	2024 £	2023 £
Staff salaries recharged by The REME Charity	375,948	326,934
Donated staff costs	18,746	17,290
Freelance staff	<u>5,535</u>	<u>5,940</u>
	<u>400,229</u>	<u>350,164</u>

No employee earned more than £60,000 during the current or prior year.

The key management personnel of the charity comprise the Trustees, the CEO and Museum Director.

The total employee remuneration of the key management personnel paid by the charity and recognised as a gift in kind were £49,701 and £Nil respectively (2023: £47,725 and £Nil).

	2024 No.	2023 No.
Average head count	<u>15.83</u>	<u>13.25</u>

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

10. Tangible fixed assets

	Total £
Furniture and equipment	
Cost	
At 1 January 2024	801,024
Additions in year	16,785
Disposals	<u>(48,015)</u>
At 31 December 2024	<u>769,794</u>
Depreciation	
At 1 January 2024	505,675
Charge for the year	62,987
On disposals	<u>(48,015)</u>
At 31 December 2024	<u>520,647</u>
Net book value	
At 31 December 2024	<u><u>249,147</u></u>
At 31 December 2023	<u><u>295,349</u></u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

11. Heritage assets

	Documentary Archive £	Medals £	Models £	Art £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Total £
Brought forward at 1 January 2024	7,000	37,600	164,500	98,227	10,000	1,536,000	104,500	14,999	1,972,826
Acquisitions	-	150,000	-	-	-	-	-	-	150,000
Revaluations	-	-	-	-	-	-	21,500	-	21,500
Carried forward at 31 December 2024	<u>7,000</u>	<u>187,600</u>	<u>164,500</u>	<u>98,227</u>	<u>10,000</u>	<u>1,536,000</u>	<u>126,000</u>	<u>14,999</u>	<u>2,144,326</u>

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year financial summary of heritage asset transactions:

	2024 £	2023 £	2022 £	2021 £	2020 £
Additions					
Purchases	150,000	21,600	-	-	340
Donations	-	-	33,000	2,370	2,286
Total additions	<u>150,000</u>	<u>21,600</u>	<u>33,000</u>	<u>2,370</u>	<u>2,626</u>
Disposals					
Carrying value	-	5,250	754,008	42,510	-
Sales proceeds	-	-	-	-	-
Revaluation	<u>21,500</u>	<u>(35,000)</u>	<u>-</u>	<u>(89)</u>	<u>(166)</u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

11. Heritage assets (continued)

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods. During 2023 the medals collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

The charity's collections comprise over 130,000 items, this includes accessioned items and items held as E numbers yet to be accessioned. It is not deemed practical or financially viable to revalue every accessioned item within a six-year cycle. The charity has set a valuation limit of £3,000 and only accessioned heritage assets above this limit will be revalued within the rolling cycle, if possible to do so. The charity's staff will endeavour to produce a value for all new acquisitions, including using subject matter experts if required. However, only those value £3,000 or over will be required to show evidence of valuation source on the valuation spreadsheet.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

12. Debtors

	2024 £	2023 £
Accrued income	9,982	10,660
Prepayments	10,667	7,046
Due from REME Charity	<u>337,805</u>	<u>269,908</u>
	<u><u>358,454</u></u>	<u><u>287,614</u></u>

13. Creditors : amounts due within 1 year

	2024 £	2023 £
Accruals	11,013	9,871
Other creditors	<u>3,969</u>	<u>-</u>
	<u><u>14,982</u></u>	<u><u>9,871</u></u>

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	249,147	2,144,326	2,393,473
Current assets	2,325	180,788	285,668	468,781
Current liabilities	<u>-</u>	<u>-</u>	<u>(14,982)</u>	<u>(14,982)</u>
Net assets at 31 December 2024	<u><u>2,325</u></u>	<u><u>429,935</u></u>	<u><u>2,415,012</u></u>	<u><u>2,847,272</u></u>
Prior year comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	295,349	1,972,826	2,268,175
Current assets	2,325	172,195	212,476	386,996
Current liabilities	<u>-</u>	<u>-</u>	<u>(9,871)</u>	<u>(9,871)</u>
Net assets at 31 December 2023	<u><u>2,325</u></u>	<u><u>467,544</u></u>	<u><u>2,175,431</u></u>	<u><u>2,645,300</u></u>

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

15. Movements in funds

	At 1 January 2024 £	Income £	Expenditure £	Gains on revaluation of assets/ transfers £	At 31 December 2024 £
Restricted funds					
British Museum Project	2,325	-	-	-	2,325
Conspicuous Gallantry Cross	-	159,032	(9,032)	(150,000)	-
Total restricted funds	2,325	159,032	(9,032)	(150,000)	2,325
Unrestricted funds					
<i>Designated funds:</i>					
Museum Development	467,544	89,056	(126,665)	-	429,935
<i>Total designated funds</i>	467,544	89,056	(126,665)	-	429,935
General funds	2,175,431	479,274	(411,193)	171,500	2,415,012
Total unrestricted funds	2,642,975	568,330	(537,858)	171,500	2,844,947
Total funds	2,645,300	727,362	(546,890)	21,500	2,847,272

Purposes of restricted funds

British Museum Project This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Conspicuous Gallantry Cross Acquisition and display of a group of military medals awarded to Warrant Officer Second Class (WO2) Adam Miller, a R.E.M.E soldier and recovery mechanic who served with the British Army from 1998 to 2023.

Purposes of designated funds

Museum Development The museum development fund represents income and expenditure the trustees have set aside for the development of the museum over and above the day to day running.

Transfers between funds

Transfers between funds represent general funds released on the purchase of an heritage asset with restricted funding. At the point of purchase, all restrictions were extinguished.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

15. Movements in funds (continued)

Prior year comparative	At 1 January 2023 £	Income £	Expenditure £	(Losses) on revaluation of assets	At 31 December 2023 £
Restricted funds					
British Museum Project	2,325	-	-	-	2,325
Total restricted funds	2,325	-	-	-	2,325
Unrestricted funds					
<i>Designated funds:</i>					
Museum development	467,334	94,640	(94,430)	-	467,544
<i>Total designated funds</i>	<i>467,334</i>	<i>94,640</i>	<i>(94,430)</i>	<i>-</i>	<i>467,544</i>
General funds	2,170,554	433,848	(393,971)	(35,000)	2,175,431
Total unrestricted funds	2,637,888	528,488	(488,401)	(35,000)	2,642,975
Total funds	2,640,213	528,488	(488,401)	(35,000)	2,645,300

16. Capital commitments

At 31 December 2023, capital expenditure commitments were as follows:

	2024 £	2023 £
<i>Committed but not provided for in the accounts:</i>		
Conspicuous Gallantry Cross medal purchase	-	150,000

At 31 December 2023, the charity had entered into an agreement to complete the purchase of a Conspicuous Gallantry Cross medal. The value of the purchase is funded by awarded grants which will be recognised in line with the purchase of the medal. There were no further capital commitments entered into in the prior year, and none in the current year.

Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2024

17. Related party transactions

The charity's parent entity is The REME Charity (company number 10036700, charity number 1165868), incorporated in the UK. The consolidated accounts are available on the Companies House website. The registered address is the same as that of The REME Museum. The REME Charity is the controlling party and is the sole corporate trustee.

During the year the charity received donations totalling £149,462 from The REME Charity (2023: £121,207). The REME Charity operates payroll and manages transactions through their bank account for the charity. As described in note 4 to the accounts, The REME Charity also holds investments for the charity. The market value of the investments at 31 December 2024 was £361,639 (2023: £331,552), and investment income generated in the year was £9,761 (2023: £9,436). The original transfer of cash for investment is represented in the intercompany balance. At the year end £337,805 was due from The REME Charity (2023: £269,908).

During the year, approximately £18,746 (2023: £17,346) of "free charges" was donated to the REME family in research fees, entrance fees and conference room bookings.

CORPS OF ROYAL ELECTRICAL AND MECHANICAL ENGINEERS MUSEUM

England & Wales - Charity number 272740

Accounts

Charity no. 272740

**The Corps of Royal Electrical and
Mechanical Engineers Museum
Report and Audited Financial Statements
31 December 2023**



The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2023

Charity number 272740

Registered office and operational address The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees The trustees who served during the year and up to the date of this report were as follows:

The REME Charity - sole corporate trustee

Trustees of The REME Charity:

Maj Gen S M Andrews CBE	Chair
Cmdr M Ashton RN	appointed 1 August 2023
Col M J A Bullard MBE	
Captain H Burns	appointed 1 August 2023
J Foster	appointed 17 January 2024
Col (Retd) R Fram MC	
Mr A P Graham	resigned 7 November 2023
Maj P C D Hembery	appointed 1 August 2023
Mr T Hirst	appointed 1 August 2023
Ms R Norris	appointed 13 January 2023 resigned 11 October 2023
Brig C P Phillips CBE	
Ms C C Robinson	resigned 13 January 2023
Col A J Rogers	resigned 11 October 2023
Col D G Scott	
Maj A Shand	appointed 1 August 2023
Col M A Simpson QVRM TD VR	
P Tumim	appointed 1 August 2023

Principal staff Mrs Barbel Harris Chief Executive Officer
Major (Retd) R J Henderson Museum Director

Bankers Holts Farnborough Branch
Royal Bank of Scotland Plc
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2023

Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2016, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The REME Museum appointed The REME Charity as its sole corporate trustee on 7 June 2016. First registered on 10 December 1976, the Governing Document was a Trust Deed; unincorporated association, which was varied by scheme on 28 April 1998 and further amended by the scheme on 7 June 2016.

Background

The REME Museum was first established in 1958 and was located in Moat House in Arborfield. Later the REME Museum was expanded and the collection was held over two locations, the main museum moved from Moat House to a new location in Hazebrouck Barracks in Arborfield and a vehicle collection was established in Prince Phillip Barracks in Bordon. In November 2015, and as part of the larger Defence Technical Training Change Programme move, the REME Museum relocated to its current location in MoD Lyneham. The main collection is held in building 311 and the reserve vehicle collection is held in building 184, a hangar at A site.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the board of trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the board remains current and effective.

Organisational structure and governance

The board of trustees is an independent decision making governing body which meets at least twice a year. The board consists of 13 trustees led by a Chairman. Trustees are given responsibility for different areas of the business, with the Museum having a dedicated trustee. The Museum Development Committee meets twice yearly and short, medium, and long term plans are reviewed. The execution of the day to day running of the business is delegated to the Museum Director.

Relationships with other charities

The Museum Fund is a designated fund within The REME Charity, which has the responsibility for governance, invests the Museum's reserves, provides an annual grant and employs the museum staff. The Museum Development Fund raises its own income through donations, independently of The REME Charity.

Risk management

The REME Charity maintains a risk register which includes risk to the Museum and is reviewed annually. Risks are categorised in five main areas, Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. The REME Museum is dependent on MOD support for staff wages and its building infrastructure and support from The REME Charity. If the MoD funded Grant in Aid ceased and the MOD decided to charge rent for the building, this would have significant impact on the Museum's ability to operate profitably. The Museum is working to become self-sufficient but in the short term, has the financial backing of The REME Charity.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

OBJECTS AND ACTIVITIES

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit. The REME Museum provides public benefit by educating the visitors about the character, activities and history of the British Army and specifically the Corps of REME. It does this by telling a compelling story of those who served in the REME, by providing a community hub to build and strengthen the links between the military and civilian communities, and by providing a place of education for soldiers and school children.

Object

The defined object of the REME Museum is to uphold the traditions of the Corps of REME and to perpetuate its deeds.

The REME Museum fulfils its object by holding and maintaining the Corps Collections and ensuring that new members of the Corps are educated in its history. It accurately accounts for all items in the collections and ensures appropriate security measures are in place. It shares its history through loans to other museums and through allowing the general public access to its collections and/or historical records.

2023 themes and activities

The Museum enjoyed its most successful year to date. The following was achieved:

- a) **Education.** The Education Officer continues to promote and work with the Schools to deliver interesting but relatable workshops in line with the national curriculum. He also now delivers a Scouts Mechanic Activity badge workshop, this is a recognised Scouts badge and supported by the British Army which is proving very popular. The Museum Development manager continues to deliver the weekly presentations to military students at MOD Lyneham. This entails a brief on the Corps' heritage and the part the REME Museum plays in promoting and preserving it. We also host ad hoc quiz tours around the galleries for students at Lyneham awaiting training to increase their knowledge about the Corps heritage.
- b) **Electronic Point of Sales (EPOS).** The Museum EPOS system continues to work well and the online ticket booking system (DigiTickets) is invaluable for ticket only events. The Museum also used the DigiTickets system to gain feed back on where visitors heard about the Museum. The Museum has signed up to three-year deal that means it pays 0.5% less per ticket for the monthly tickets sold.
- c) **Reputation.** VisitEngland awarded the Museum their top award of the Gold Accolade in 2023. This a significant recognition of all areas of the Museum's operation. The Museum continues to receive a large number of very positive comments in the visitor's book, and received a 2023 Travellers Choice Award from Trip Advisor.
- d) **Social media.** The appointment of a full time Social Media and Digital Marketing Officer has provided a very positive impact. The number of engagements and followers has increased. It has also produced larger attendance at events.
- e) **Advertising.** The Museum purchased fence banners to advertise events. Placed hard copy and online adverts as well a quad fold leaflet that was distributed in all major outlets within a 45-minute drive time from the Museum. All of this was also enhanced with paid for Facebook adverts.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

- f) **Events.** The events calendar proved to be a huge success in 2023, with 3 of the major events selling out.
- g) **Collections care.** A plan to improve the storage of the reserve weapons collection in the Armoury in camp was placed on hold due other priorities and lack of resources.

Strategies to achieve objects

The trustees make an annual estimate of the likely financial call on the Museum based upon historical data and a planned budget. A grant of £121,207 from The REME Charity was required in 2023. Income to the Museum Development Fund comes from donations to the Gold Card scheme. The scheme is open to serving members of REME and provides free admission for life for the individual concerned and their family, in return for a small monthly donation over four years. These income strategies enable the object to be met.

Significant charitable activities

The Museum was able to secure in principle the acquisition of Mr Adam Miller's Conspicuous Gallantry Cross (CGC). The only CGC awarded to date to a REME soldier. The Museum has provided free use of the education suite on most Mondays to the Alzheimer's Support Group. 60 Ukraine soldiers were given free entry to the Museum whilst attending training at MOD Lyneham. A total of 1,765 adults and 450 children attended the Museum using the Gold card scheme. Throughout 2023 the Museum continued to provide displays at external events such as the Basingstoke Festival of Transport and Capel Military Vehicle show where the Museum's Conqueror Armoured Recovery Vehicle won the "John Newton Memorial Prize".

ACHIEVEMENTS AND PERFORMANCE

Performance management

The REME Museum recognises the importance of managing performance and it does this by measuring a number of key areas and setting targets in the annual plan.

2023 performance

The Museum received its highest ever number of visitors of 18,059 visitors and generated a total admissions income of £83,565. It also generated a further £12,461 from Corporate Hire, Education, Research Fees and Donations. Plus, a monetary value of a further £17,290 in services provided free of charge in support of the Corps.

The Museum received 806 email enquiries. The Archives department dealt with a total of 531 research enquiries completing 504. A total of 188 new items were added to the collections with no reported losses. The Museum's educational programme delivered formal education workshops to 1,702 school pupils accompanied by 166 teachers and teaching assistants.

Performance achieved against fundraising target

The Museum Development Fund raised £89,569 through the Gold Card Scheme and the Museum generated a further £83,565 from admissions (2022: £42,675), education £8,009 (awaiting payment of a further £378) research £2,258, Corporate hire £1,890 and £305 in donations. The Museum also provided £17,290 worth of free services in support of the Corps, in research, education, free admission and the use of corporate hire facilities. The Museum exceeded significantly both the income and visitor number targets of £44,500 and 12,000. The Museum Development fund exceeded its income targets.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

Infrastructure

There were no major infrastructure issues in 2023. There has been no progress on the issuing of a formal lease from the DIO Land Management Services (LMS). The Museum does however still have a signed letter from the MoD stating that terms have been agreed upon for a 30-year lease by the Secretary of State for Defence. The Museum has submitted a request to MOD Lyneham to be included in the installation of e-charging points once the repayment method has been approved by the MOD top level budget holder.

FINANCIAL REVIEW

Reserves policy

The trustees' policy is not to keep a reserve in the Museum Fund because the Fund is essentially underwritten by The REME Charity. However, The REME Charity does not underwrite the Museum Development Fund. The trustees have decided to designate expenditure from this fund to mounting exhibitions and the purchase of portable items in order to consolidate and improve the museum in Lyneham. The trustees assess that maintaining cash reserves of at least £100k would be an appropriate planning figure at present to meet this requirement.

In 2022 a decision was made by the trustees to write off the Heritage Assets below £3,000 and Tangible Fixed Assets below £2,000 to streamline the management of the assets. As the organisation holds a large number of assets, this policy change allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high value heritage assets.

From an accounting presentation perspective this is shown a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Funding sources

The REME Charity (registered number 1165868) provides a grant to assist with the operational costs for the REME Museum and to ensure its continued operation. The REME Charity also manages an investment portfolio of which the Museum has an aliquot shareholding of 2.3541% (2022: 2.3717%); quarterly dividends are received. Grant in Aid, admissions, room rental and archival research provide other revenue and the Gold Card Scheme provided funding for the Development Fund.

Income for the year totalled £528,488 (2022: £536,058) This is split between the Development Fund and the Museum Fund as follows:

Museum Fund income for the year totalled £433,848 (2022: £431,549) and included £189,242 MoD Grant in Aid (2022: £181,754), £83,565 (2022: £42,675) in admissions, £2,258 (2022: £946) in research fees, £8,009 (2022: £2,067) in education fees, £1,890 in venue hire (2022: £2,475), £121,207 (2022: £149,292) in grants from the REME Charity and other grants and donations of £67,008 (2022: £35,072), as well as services and facilities donated by MoD of £17,290 (2022: £17,268).

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

Development Fund income (including restricted funds) for the year totalled £94,640 (2022: £104,509). The Museum Gold Card Scheme is a free admission membership scheme in which serving officers and soldiers can volunteer for. A small monthly donation is collected over a 4 year period and is placed in the Museum Development Fund. Other income comprised investment income and bank interest of £10,365 (2022: £10,458) and grants, donations and other trading income of £305 (2022: £184).

Expenditure

Expenditure for the year totalled £488,401 (2022: £1,208,930). This is split between the Development Fund, the Museum Fund and the British Museum Project as follows:

Museum Fund expenditure totalled £393,971 (2022: £1,103,877) and includes a loss on disposal of heritage assets of £5,250 (2022: £754,008), loss on revaluation of heritage assets £35,000 (2022: £Nil), staff costs (including salaries and donated staff time) of £344,224 (2022: £311,072), donated facilities costs of £Nil (2022: £Nil) and other expenditure of £9,497 (2022: £38,797), which includes expenditure on displays and exhibitions, children's educational activities and other office and premises costs. Staff costs are supported by the Grant in Aid donation from MoD of £189,242 (2022: £181,754).

Development Fund expenditure (including restricted funds) totalled £94,430 (2022: £104,808) and includes depreciation of £64,070 (2022: £46,315), loss on disposal of fixed assets of £Nil (2022: £27,470), contractor costs of £5,940 (2022: £9,803), advertising and marketing costs of £12,239 (2022: £9,629) and other expenditure of £17,431 (2022: £11,591) which includes expenditure on exhibits, small equipment, IT, website and other office expenses.

British Museum Project expenditure totalled £Nil (2022: £245).

Investment policy

The Museum Development Fund has an investment aliquot share of 2.3541% in The REME Charity portfolio and follows their investment policy.

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

The Museum's future aims are based on the following areas:

- a) Continue to increase visitor footfall, concentrating on events, group travel trade and education;
- b) To reduce reliance on the REME Charity for financial support;
- c) Expanding volunteer recruiting;
- d) Review collections for relevance;
- e) Develop the contemporary collection;
- f) Improve collections storage; and
- g) Develop links with Engineering Institutions.

The Museum plans to combine the two events (Armed Forces Day and the Summer Fete) that produced the lowest attendance figures in 2023, to be run on the same day in 2024. There is always a lot of competition for visitors on Armed Forces Day, it is hoped the combined event to be called the Museum Extravaganza will draw the lion's share of visitors from the local communities.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

The Museum will create a new display based around the Adam Miller CGC Medal acquisition with a formal opening event and advertisement campaign.

A request has been made to Infinity to conduct a survey and provide a design and costings to install an improved WIFI provision in the galleries and public rooms. This will also enable the Museum to enhance displays with the use of VR and holograms. This survey will be carried out in early 2024.

There is a project underway to have a classroom sized Anderson Shelter installed next to Dig 4 Victory Garden to enhance the Museums education offer. The design had been approved by a structural engineer and passed to a company to manufacture. The project is expected to be completed by second quarter of 2024.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2023

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 23 May 2024 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Opinion

We have audited the financial statements of The Corps of Royal Electrical and Mechanical Engineers Museum (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet and the related notes to the financial statements, 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 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 UK, including the FRC'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Godfrey Wilson Limited

Date: 23 May 2024

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Corps of Royal Electrical and Mechanical Engineers Museum

Statement of financial activities

For the year ended 31 December 2023

	Note	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Income from:					
Donations	3	-	419,921	419,921	475,565
Charitable activities	4	-	96,312	96,312	47,560
Other trading activities		-	1,890	1,890	2,475
Investments	5	-	10,365	10,365	10,458
Total income		-	528,488	528,488	536,058
Expenditure on:					
Raising funds		-	7,046	7,046	10,396
Charitable activities		-	481,355	481,355	417,056
Other expenditure		-	-	-	781,478
Total expenditure	7	-	488,401	488,401	1,208,930
Net income / (expenditure)		-	40,087	40,087	(672,872)
Other recognised gains					
Gains/(losses) on revaluation of heritage assets		-	(35,000)	(35,000)	-
Net movement in funds	8	-	5,087	5,087	(672,872)
Reconciliation of funds:					
Total funds brought forward		2,325	2,637,888	2,640,213	3,313,085
Total funds carried forward		<u>2,325</u>	<u>2,642,975</u>	<u>2,645,300</u>	<u>2,640,213</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

The Corps of Royal Electrical and Mechanical Engineers Museum

Balance sheet

As at 31 December 2023

	Note	£	2023 £	2022 £
Fixed assets				
Tangible assets	11		295,349	354,562
Heritage assets	12		1,972,826	1,991,476
			2,268,175	2,346,038
Current assets				
Debtors	13	287,614		231,924
Cash at bank and in hand		99,382		71,317
		386,996		303,241
Liabilities				
Creditors: amounts falling due within 1 year	14	(9,871)		(9,066)
Net current assets			377,125	294,175
Net assets	15		2,645,300	2,640,213
Funds				
Restricted funds	16		2,325	2,325
Unrestricted funds				
Designated funds			467,544	467,334
General funds			2,175,431	2,170,554
Total charity funds			2,645,300	2,640,213

Approved by the trustees on 23 May 2024 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

The Corps of Royal Electrical and Mechanical Engineers Museum

Statement of cash flows

For the year ended 31 December 2023

	2023	2022
	£	£
Cash used in operating activities:		
Net movement in funds	5,087	(672,872)
Adjustments for:		
Dividends, interest and rents from investments	(10,365)	(10,458)
Depreciation charges	64,070	46,315
Loss on disposal of tangible fixed assets	-	27,470
Loss on disposal of heritage assets	5,250	754,008
Donation of heritage assets	-	(33,000)
Revaluation losses / (gains) on heritage assets	35,000	-
(Increase) / decrease in debtors	(55,690)	9,654
Increase / (decrease) in creditors	805	(1,390)
Net cash provided by operating activities	44,157	119,727
Cash flows from investing activities:		
Dividends, interest and rents from investments	10,365	10,458
Purchase of tangible fixed assets	(4,857)	(188,468)
Purchase of heritage assets	(21,600)	-
Net cash used in investing activities	(16,092)	(178,010)
Decrease in cash and cash equivalents in the year	28,065	(58,283)
Cash and cash equivalents at the beginning of the year	71,317	129,600
Cash and cash equivalents at the end of the year	99,382	71,317

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies

a) Basis of preparation

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

The Corps of Royal Electrical and Mechanical Engineers Museum 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.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The charity holds unrestricted, general reserves of £2.2m, designated reserves that can be drawn down if necessary of £467k and a cash balance of £99k. For these reasons the trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the proportion of total costs basis:

	2023	2022
Raising funds	1.4%	0.9%
Charitable activities	98.6%	99.1%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and equipment	4 to 10 years straight line basis
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Items of equipment are capitalised where the purchase price exceeds £2,000.

j) Heritage assets

The charity is the repository of thousands of items, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase. The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations which are by their nature subjective. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and no written valuations are available. The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

j) Heritage assets (continued)

The charity's collections comprise over 130,000 items. It is not deemed practical or financially viable to revalue every item within a six-year cycle. The charity has set a valuation limit of £3,000 and only accessioned heritage assets above this limit will be revalued within the rolling cycle, if possible to do so. The charity's staff will endeavour to produce a value for all new acquisitions, including using subject matter experts if required. However, only those valued £3,000 or over will be capitalised as heritage assets.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

o) Pension costs

The charity's payroll is operated by The REME Charity (the parent charity) which operates a defined contribution pension scheme for the employees. There are no further liabilities other than that already recognised in the SOFA.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies (continued)

p) Accounting estimates and key judgements (continued)

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Derecognition of assets

The decision to write off heritage assets below £3,000 and tangible fixed assets below £2,000 was made by the trustees in 2022 in order to streamline the management of assets for the museum. As the organisation holds a large number of assets, this policy allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high-value heritage assets. In 2022, this change resulted in a loss on disposal of heritage assets of £754,008 and tangible fixed assets of £27,470. From an accounting presentation perspective this is shown as a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Valuation of heritage assets

The charity's heritage assets are stated at their estimated fair value as disclosed in note 1j and note 12.

2. Prior period comparatives: statement of financial activities

	Restricted	Unrestricted	2022 Total
	£	£	£
Income from:			
Donations	-	475,565	475,565
Charitable activities	-	47,560	47,560
Other trading activities	-	2,475	2,475
Investments	-	10,458	10,458
Total income	-	536,058	536,058
Expenditure on:			
Raising funds	-	10,396	10,396
Charitable activities	245	416,811	417,056
Other expenditure	-	781,478	781,478
Total expenditure	245	1,208,685	1,208,930
Net expenditure and net movement in funds	(245)	(672,627)	(672,872)

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

3. Income from donations

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
MoD Grant-In-Aid	-	189,242	189,242	181,754
Serving officers and soldiers (Gold Card)	-	89,569	89,569	93,867
Donated services and facilities*	-	17,290	17,290	17,268
The REME Charity	-	121,207	121,207	149,292
Donated heritage assets	-	-	-	33,000
Individuals	-	2,613	2,613	384
Total income from donations	-	419,921	419,921	475,565

All income from donations in the prior year was unrestricted.

* Donated services and facilities consists of:

	2023 Total £	2022 Total £
Donated staff time	17,290	17,268

4. Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Museum admissions	-	83,565	83,565	42,675
Children's activities	-	8,009	8,009	2,067
Research	-	2,258	2,258	946
Grants	-	2,480	2,480	1,872
Total income from charitable activities	-	96,312	96,312	47,560

All income from charitable activities in the prior year was unrestricted.

5. Investment income

Investment income includes interest earned on cash held in deposit accounts and investments by The REME Charity on behalf of the charity. At 31 December 2023 The REME Charity's investments balance, reported in those accounts as 'Aliquot shares', includes a total market value of £334,666 (2022: £306,705) held on behalf of the charity. The charity's share of income generated by the investments was £9,436 (2022: £10,302). Interest earned on cash held in deposit accounts was £929 (2022: £156).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

6. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities. The total value of such grants in the period ending 31 December 2023 was £189,242 (2022: £181,754 from the Ministry of Defence and the Coronavirus Job Retention Scheme). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Staff costs (note 9)	5,940	326,934	17,290	350,164
Other staff costs	-	1,872	-	1,872
Displays and exhibits	-	4,424	-	4,424
Materials, maintenance and repairs	-	-	6,699	6,699
Subscriptions	-	3,282	-	3,282
Software and website costs	-	-	4,546	4,546
Cleaning	-	-	13,324	13,324
Other office costs	-	-	13,034	13,034
Advertising and marketing	-	-	15,136	15,136
Legal and professional	-	-	6,600	6,600
Loss on disposal of heritage assets	-	5,250	-	5,250
Depreciation	-	64,070	-	64,070
Sub-total	5,940	405,832	76,629	488,401
Allocation of support and governance costs	1,106	75,523	(76,629)	-
Total expenditure	7,046	481,355	-	488,401

Total governance costs were £6,600 (2022: £5,508).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

7. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities £	Other expenditure £	Support and governance costs £	2022 Total £
Staff costs (note 9)	9,803	293,804	-	17,268	320,875
Other staff costs	-	1,489	-	-	1,489
Displays and exhibits	-	4,987	-	-	4,987
Materials, maintenance and repairs	-	-	-	7,436	7,436
Subscriptions	-	2,107	-	-	2,107
Software and website costs	-	-	-	3,479	3,479
Cleaning	-	-	-	12,312	12,312
Other office costs	-	-	-	10,628	10,628
Advertising and marketing	-	-	-	12,116	12,116
Legal and professional	-	-	-	5,708	5,708
Loss on disposal of heritage assets	-	-	754,008	-	754,008
Loss on disposal of fixed assets	-	-	27,470	-	27,470
Depreciation	-	46,315	-	-	46,315
Sub-total	9,803	348,702	781,478	68,947	1,208,930
Allocation of support and governance costs	593	68,354	-	(68,947)	-
Total expenditure	10,396	417,056	781,478	-	1,208,930

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

8. Net movement in funds

This is stated after charging:

	2023	2022
	£	£
Depreciation	64,070	46,315
Loss on disposal of assets	5,250	781,478
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (excluding VAT)	<u>5,500</u>	<u>4,590</u>

9. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£	£
Staff salaries recharged by The REME Charity	326,934	293,804
Donated staff costs	17,290	17,268
Freelance staff	<u>5,940</u>	<u>9,803</u>
	<u>350,164</u>	<u>320,875</u>

No employee earned more than £60,000 during the current or prior year.

The key management personnel of the charity comprise the Trustees, the CEO and Museum Director.

The total employee remuneration of the key management personnel paid by the charity and recognised as a gift in kind were £47,725 and £Nil respectively (2022: £43,929 and £Nil).

	2023	2022
	No.	No.
Average head count	<u>13.25</u>	<u>15.00</u>

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

11. Tangible fixed assets

	Total £
Furniture and equipment	
Cost	
At 1 January 2023	796,167
Additions in year	4,857
Disposals	<u>-</u>
At 31 December 2023	<u>801,024</u>
Depreciation	
At 1 January 2023	441,605
Charge for the year	64,070
On disposals	<u>-</u>
At 31 December 2023	<u>505,675</u>
Net book value	
At 31 December 2023	<u><u>295,349</u></u>
At 31 December 2022	<u><u>354,562</u></u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

12. Heritage assets

	Documentary Archive £	Medals £	Models £	Art £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Total £
Brought forward at 1 January 2023	7,000	56,250	164,500	106,527	1,700	1,536,000	104,500	14,999	1,991,476
Acquisitions	-	21,600	-	-	-	-	-	-	21,600
Disposals	-	(5,250)	-	-	-	-	-	-	(5,250)
Revaluations	-	(35,000)	-	-	-	-	-	-	(35,000)
Transfers	-	-	-	(8,300)	8,300	-	-	-	-
Carried forward at 31 December 2023	<u>7,000</u>	<u>37,600</u>	<u>164,500</u>	<u>98,227</u>	<u>10,000</u>	<u>1,536,000</u>	<u>104,500</u>	<u>14,999</u>	<u>1,972,826</u>

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year financial summary of heritage asset transactions:

	2023 £	2022 £	2021 £	2020 £	2019 £
Additions					
Purchases	21,600	-	-	340	-
Donations	-	33,000	2,370	2,286	2,231
Total additions	21,600	33,000	2,370	2,626	2,231
Disposals					
Carrying value	(5,250)	754,008	42,510	-	-
Sales proceeds	-	-	-	-	-
Revaluation	(35,000)	-	(89)	(166)	716,185

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

12. Heritage assets (continued)

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods. During 2023 the medals collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

The charity's collections comprise over 130,000 items, this includes accessioned items and items held as E numbers yet to be accessioned. It is not deemed practical or financially viable to revalue every accessioned item within a six-year cycle. The charity has set a valuation limit of £3,000 and only accessioned heritage assets above this limit will be revalued within the rolling cycle, if possible to do so. The charity's staff will endeavour to produce a value for all new acquisitions, including using subject matter experts if required. However, only those value £3,000 or over will be required to show evidence of valuation source on the valuation spreadsheet.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

13. Debtors

	2023 £	2022 £
Trade debtors	-	100
Accrued income	10,660	58,159
Prepayments	7,046	6,283
Due from REME Charity	<u>269,908</u>	<u>167,382</u>
	<u>287,614</u>	<u>231,924</u>

14. Creditors : amounts due within 1 year

	2023 £	2022 £
Accruals	9,871	8,581
Other creditors	<u>-</u>	<u>485</u>
	<u>9,871</u>	<u>9,066</u>

15. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	295,349	1,972,826	2,268,175
Current assets	2,325	172,195	212,476	386,996
Current liabilities	<u>-</u>	<u>-</u>	<u>(9,871)</u>	<u>(9,871)</u>
Net assets at 31 December 2023	<u>2,325</u>	<u>467,544</u>	<u>2,175,431</u>	<u>2,645,300</u>
Prior year comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	354,562	1,991,476	2,346,038
Current assets	2,325	112,772	188,144	303,241
Current liabilities	<u>-</u>	<u>-</u>	<u>(9,066)</u>	<u>(9,066)</u>
Net assets at 31 December 2022	<u>2,325</u>	<u>467,334</u>	<u>2,170,554</u>	<u>2,640,213</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

16. Movements in funds

	At 1 January 2023 £	Income £	Expenditure £	Gains / (losses) on revaluation of assets £	At 31 December 2023 £
Restricted funds					
British Museum Project	2,325	-	-	-	2,325
Total restricted funds	2,325	-	-	-	2,325
Unrestricted funds					
<i>Designated funds:</i>					
Museum Development	467,334	94,640	(94,430)	-	467,544
<i>Total designated funds</i>	467,334	94,640	(94,430)	-	467,544
General funds	2,170,554	433,848	(393,971)	(35,000)	2,175,431
Total unrestricted funds	2,637,888	528,488	(488,401)	(35,000)	2,642,975
Total funds	2,640,213	528,488	(488,401)	(35,000)	2,645,300

Purposes of restricted funds

British Museum Project This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Purposes of designated funds

Museum Development The museum development fund represents income and expenditure the trustees have set aside for the development of the museum over and above the day to day running.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

16. Movements in funds (continued)

Prior year comparative	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Restricted funds				
British Museum Project	2,570	-	(245)	2,325
Total restricted funds	2,570	-	(245)	2,325
Unrestricted funds				
<i>Designated funds:</i>				
Museum development	467,633	104,509	(104,808)	467,334
<i>Total designated funds</i>	<i>467,633</i>	<i>104,509</i>	<i>(104,808)</i>	<i>467,334</i>
General funds	2,842,882	431,549	(1,103,877)	2,170,554
Total unrestricted funds	3,310,515	536,058	(1,208,685)	2,637,888
Total funds	3,313,085	536,058	(1,208,930)	2,640,213

17. Capital commitments

At 31 December 2023, capital expenditure commitments were as follows:

	2023 £	2022 £
<i>Committed but not provided for in the accounts:</i>		
Conspicuous Gallantry Cross medal purchase	150,000	-

At 31 December 2023, the charity had entered into an agreement to complete the purchase of a Conspicuous Gallantry Cross medal. The value of the purchase is funded by awarded grants which will be recognised in line with the purchase of the medal. There were no further capital commitments entered into in the post year end period.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2023

18. Related party transactions

The charity's parent entity is The REME Charity (company number 10036700, charity number 1165868), incorporated in the UK. The consolidated accounts are available on the Companies House website. The registered address is the same as that of The REME Museum. The REME Charity is the controlling party and is the sole corporate trustee.

During the year the charity received donations totalling £121,207 from The REME Charity (2022: £149,292). The REME Charity operates payroll and manages transactions through their bank account for the charity. As described in note 6 to the accounts, The REME Charity also holds investments for the charity. The market value of the investments at 31 December 2023 was £334,666 (2022: £306,705), and investment income generated in the year was £9,436 (2022: £10,302). The original transfer of cash for investment is represented in the intercompany balance. At the year end £269,908 was due from The REME Charity (2022: £167,382).

During the year, approximately £17,346 (2022: £8,285) of "free charges" was donated to the REME family in research fees, entrance fees and conference room bookings.

Accounts

Charity no. 272740

**The Corps of Royal Electrical and
Mechanical Engineers Museum
Report and Audited Financial Statements
31 December 2022**



The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2022

Charity number 272740

Registered office and operational address The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees The trustees who served during the year and up to the date of this report were as follows:

The REME Charity - sole corporate trustee

Trustees of The REME Charity:

Maj Gen S M Andrews CBE Chair

Col M J A Bullard MBE

Col (Retd) R Fram MC

Mr A P Graham

Maj P C D Hembery

Ms R Norris appointed 13 January 2023

Brig C P Phillips CBE

Ms C C Robinson resigned 13 January 2023

Col A J Rogers

Col D G Scott

Col M A Simpson QVRM TD VR

Principal staff Mrs Barbel Harris Chief Executive Officer
Major (Retd) R J Henderson Museum Director

Bankers Holts Farnborough Branch
Royal Bank of Scotland Plc
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2022

Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2016, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The REME Museum appointed The REME Charity as its sole corporate trustee on 7 June 2016. First registered on 10 December 1976, the Governing Document was a Trust Deed; unincorporated association, which was varied by scheme on 28 April 1998 and further amended by the scheme on 7 June 2016.

Background

The REME Museum was first established in 1958 and was located in Moat House in Arborfield. Later the REME Museum was expanded and the collection was held over two locations, the main museum moved from Moat House to a new location in Hazebrouck Barracks in Arborfield and a vehicle collection was established in Prince Phillip Barracks in Bordon. In November 2015, and as part of the larger Defence Technical Training Change Programme move, the REME Museum relocated to its current location in MoD Lyneham. The main collection is held in building 311 and the reserve vehicle collection is held in building 184, a hangar at A site.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the board of trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the board remains current and effective. There were no changes to the board of trustees in 2022.

Organisational structure and governance

The board of trustees is an independent decision making governing body which meets at least twice a year. The board consists of 10 trustees led by a Chairman. Trustees are given responsibility for different areas of the business, with the Museum having a dedicated trustee. The Museum Development Committee meets twice yearly and short, medium, and long term plans are reviewed. The execution of the day to day running of the business is delegated to the Museum Director.

Relationships with other charities

The Museum Fund is a designated fund within The REME Charity, which has the responsibility for governance, invests the Museum's reserves, provides an annual grant and employs the museum staff. The Museum Development Fund raises its own income through donations, independently of The REME Charity.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

Risk management

The REME Charity maintains a risk register which includes risk to the Museum and is reviewed annually. Risks are categorised in five main areas, Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. The REME Museum is dependent on MOD support for staff wages and its building infrastructure and support from The REME Charity. If the MoD funded Grant in Aid ceased and the MOD decided to charge rent for the building, this would have significant impact on the Museum's ability to operate profitably. The Museum is working to become self-sufficient but in the short term, has the financial backing of The REME Charity.

OBJECTS AND ACTIVITIES

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit. The REME Museum provides public benefit by educating the visitors about the character, activities and history of the British Army and specifically the Corps of REME. It does this by telling a compelling story of those who served in the REME, by providing a community hub to build and strengthen the links between the military and civilian communities, and by providing a place of education for soldiers and school children.

Object

The defined object of the REME Museum is to uphold the traditions of the Corps of REME and to perpetuate its deeds.

The REME Museum fulfils its object by holding and maintaining the Corps Collections and ensuring that new members of the Corps are educated in its history. It accurately accounts for all items in the collections and ensures appropriate security measures are in place. It shares its history through loans to other museums and through allowing the general public access to its collections and/or historical records.

2022 themes and activities

The Museum enjoyed a good start to the year from January through May. However, due to infrastructure issues with the Museum flooring, the Museum took the decision to reduce the high H&S risk by replacing the entire ground floor flooring using funds from both the Museum's Development Fund and REME Charity. The anticipated closure was eight weeks, but due to problems encountered by the contractors laying the quartz resin floors the Museum was closed for a total of fourteen weeks. The impact was that many of our pre planned events and summer activities had to be cancelled or postponed. The following was achieved:

a) **Education.** School visits have been on the increase after the pandemic, the Education Officer continues to promote and work with the Schools to deliver interesting but relatable to the national curriculum workshops. The Museum Development manager continues to deliver the weekly presentations to military students at MOD Lyneham. This entails a brief on the Corps' heritage and the part the REME Museum plays in promoting and preserving it. We also host ad hoc quiz tours around the galleries for students at Lyneham awaiting training;

b) **Electronic Point of Sales (EPOS).** The Museum EPOS system is working well and the online ticket booking system (DigiTickets) is proving an excellent addition. This is an invaluable resource for managing events and parking allocation;

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

c) **Reputation.** The Museum's reputation continues to grow with excellent Trip Advisor reviews and a large number of very positive comments in the visitor's book;

d) **Social media.** The Museum Assistant's co-ordination of all the Museum's social media posts has been a great success. The number of engagements and followers is increasing. She is also coordinating excellent digital adverts to promote events on these platforms;

e) **Advertising.** The Museum produced a quad fold leaflet and had it distributed in all major outlets within a 45-minute drive time from the Museum. Feedback showed that 14% of visitors who responded to our survey did find out about the Museum from picking up a leaflet. This is considered a positive result as this was only on display just over 7 months;

f) **Events.** The Museum did have to cancel three planned events and reschedule a further event due to the closure required by the flooring replacement works. The Wartime Britain and Model show events that were unaffected were both very well attended. The Sci-Fi event had to be rescheduled and this had an impact on expected numbers attending. The event was well received and will be run again in 2023; and

g) **Collections care.** We have submitted a Statement of Need (SON) to the Defence Infrastructure Organisation (DIO) to upgrade the Air Handling Units fitted in the galleries to Heating Ventilation and Air Conditioning (HVAC) units. This will improve the environmental conditions within the galleries. A plan to improve the storage of the reserve weapons collection in the Armoury in camp is in progress.

Strategies to achieve objects

The trustees make an annual estimate of the likely financial call on the Museum based upon historical data and a planned budget. Due to the COVID-19 pandemic, many of the assumptions made in the planning could not be realised and a larger than normal grant amounting to £67,612 (2021: £60,566) from The REME Charity was required. Income to the Museum Development Fund comes from donations to the Gold Card scheme. The scheme is open to serving members of REME and provides free admission for life for the individual concerned and their family, in return for a small monthly donation over four years. These income strategies enable the object to be met.

Significant charitable activities

The Museum hosted an event for 94 children in support of the Prader-Willi syndrome Association on 30 May. We also provided a display at the RBL Falklands 40 Event at National Memorial Arboretum on 14 June. The Museum also hosted the new REME Corps Colonel in Chief - HRH Sophie the Countess of Wessex on 28 September. The Museum also provided the following:

- ARV and display for the Bordon Shed (council) 1st Birthday Bash on 28 May;
- Conqueror ARV and Queen Mother's Land Rover for the Wiltshire Steam and Vintage Rally 11-12 June;
- Cuthbertson Land Rover and display at the Classic Land Rover event 2-3 July; and
- display at 5 Bn Families Open day 29 July.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

ACHIEVEMENTS AND PERFORMANCE

Performance management

The REME Museum recognises the importance of managing performance and it does this by measuring a number of key areas and setting targets in the annual plan. Similar to 2021 with the COVID-19 pandemic the closure for flooring replacement has made it difficult to make any comparisons from previous years. Nevertheless, data was recorded across many areas including; the number of visitors; the income generated; museum expenditure; the number of research queries from the public; the number and value of losses from the collections.

2022 performance

The closure due to the flooring project had an impact on the number of visitors figures. The Museum received a total of 9,903 visitors and generated a total admissions income of £42,675. The Museum received 659 email enquiries. The Archives department dealt with a total of 481 research enquiries. A total of 218 new items were added to the collections with no reported losses. The Museum's educational programme delivered formal education workshops to 2,275 school pupils accompanied by 244 teachers and teaching assistants. A further 136 pupils received an education workshop in support of the Corps/charity which although provided free would have resulted in a further £870 income.

Performance achieved against fundraising target

The Museum Development Fund raised £93,867 through the Gold Card Scheme and the Museum generated a further £45,688 from admissions (£42,675), education (£2,067) and research (£946). The Museum also provided £8,285 worth of free services in support of the Corps, in research, education and use of corporate hire facilities. The Museum Development fund exceeded its income targets. The Museum also exceeded the income target of £49,700 despite the closure but did not achieve the visitor footfall target of 12,000 due to the required closure.

Factors outside of the charity's control

The overrun of the flooring project and prolonged closure had an impact on the Museum's planned events and operation during the summer of 2022.

Infrastructure

The lifting of the vinyl flooring throughout the Museum's galleries has now been resolved. We have been monitoring the temperatures and relative humidity within the galleries throughout the year. The high fluctuations are a cause for concern to the collection's items. The Museum has submitted a Statement of Need (SON) to the Garrison Support Unit and the Defence Infrastructure Organisation to resolve this. Whilst a formal lease has still yet to be received, the Museum does have a signed letter from the MoD stating that terms have been agreed upon for a 30 year lease by the Secretary of State for Defence.

FINANCIAL REVIEW

Reserves policy

The trustees' policy is not to keep a reserve in the Museum Fund because the Fund is essentially underwritten by The REME Charity. However, The REME Charity does not underwrite the Museum Development Fund. The trustees have decided to restrict expenditure from this fund to mounting exhibitions and the purchase of portable items in order to consolidate and improve the museum in Lyneham. The trustees assess that maintaining cash reserves of at least £100k would be an appropriate planning figure at present to meet this requirement.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

A decision was made by the trustees to write off the Heritage Assets below £3,000 and Tangible Fixed Assets below £2,000 to streamline the management of the assets. As the organisation holds a large number of assets, this policy change allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high value heritage assets.

From an accounting presentation perspective this is shown a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Funding sources

The REME Charity (registered number 1165868) provides a grant to assist with the operational costs for the REME Museum and to ensure its continued operation. The REME Charity also manages an investment portfolio of which the Museum has an aliquot shareholding of 2.3717% (2021: 2.4459%); quarterly dividends are received. Grant in Aid, admissions, room rental and archival research provide other revenue and the Gold Card Scheme provided funding for the Development Fund.

Income for the year totalled £536,058 (2021: £442,619) This is split between the Development Fund and the Museum Fund as follows:

Museum Fund income for the year totalled £431,549 (2021: £333,152) and included £181,754 MoD Grant in Aid (2021: £178,374), £42,675 (2021: £31,376) in admission and corporate entertainment fees, £946 (2021: £664) in research fees, £2,067 (2021: £1,895) in education fees, £2,475 in venue hire (2021: £1,540), £149,292 (2021: £60,566) in grants from the REME Charity and other grants and donations of £35,072 (2021: £10,812), as well as services and facilities donated by MoD of £17,268 (2021: £47,926).

Development Fund income (including restricted funds) for the year totalled £104,509 (2021: £109,467). The Museum Gold Card Scheme is a free admission membership scheme in which serving officers and soldiers can volunteer for. A small monthly donation is collected over a 4 year period and is placed in the Museum Development Fund. Other income comprised investment income of £10,458 (2021: £11,441) and grants, donations and other trading income of £184 (2021: £539).

Expenditure

Expenditure for the year totalled £1,208,930 (2021: £461,158). This is split between the Development Fund, the Museum Fund and the British Museum Project as follows:

Museum Fund expenditure totalled £1,103,877 (2021: £333,152) and includes a loss on disposal of heritage assets of £754,008 (2021: £Nil), depreciation of £Nil (2021: £2,770), staff costs (including salaries and donated staff time) of £311,072 (2021: £278,188), donated facilities costs of £Nil (2021: £29,473) and other expenditure of £38,797 (2021: £22,720), which includes expenditure on displays and exhibitions, children's educational activities and other office and premises costs. Staff costs are supported by the Grant in Aid donation from MoD of £181,754 (2021: £178,374).

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

Development Fund expenditure (including restricted funds) totalled £104,808 (2021: £126,795) and includes a loss on disposal of heritage assets of £Nil (2021: £42,510), depreciation of £46,315 (2021: £49,289), loss on disposal of fixed assets of £27,470 (2021: £Nil), contractor costs of £9,803 (2021: £6,630), advertising and marketing costs of £9,629 (2021: £6,063) and other expenditure of £11,591 (2021: £22,303) which includes expenditure on exhibits, small equipment, IT, website and other office expenses.

British Museum Project expenditure totalled £245 (2021: £1,211).

Investment policy

The Museum Development Fund has an investment aliquot share of 2.3717% in The REME Charity portfolio and follows their investment policy.

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

The Museum has now been open for 5 and a half years since relocating. Our future aims are based around the following areas:

a) Increasing visibility and visitor numbers; The Museum is again producing a quad fold leaflet and having it distributed in all major outlets with a 45-minute drive time from the Museum. The Museum is also increasing the paid for Facebook adverts for major events and purchasing fence banners;

b) We will be promoting the Museum by providing displays in 2023 at the following events:

- Basingstoke Festival of Transport – May;
- Wiltshire Steam and Vintage Rally, Lydiard Park – June;
- Capel Military Show, Surrey – July;
- Gloucester Vintage and Country Extravaganza – August;
- Newbury Retrofestival – August;
- Fairford Steam, Classic and Retro Show – August;
- Fawley Show – August; and
- 19 Tank Transporter Family Day, Bulford – September.

c) We intend to hold a meeting with interested parties to provide an improved WIFI provision in the galleries and public rooms as well as explore the possibility of enhancing displays with the use of VR and holograms;

d) External sculpture; The Museum will endeavour to reinvigorate the proposal for a creation of a sculpture. This should be bold, contemporary with an enduring visual impact that causes people to pause and think, whilst simultaneously conveying the fact that it is a 'sign/landmark' for the REME Museum; and

e) The Museum events programme will provide 7 events for 2023 along with 3 school half term weeks, Easter activities and Summer holidays activities. The events entice a number of visitors from different elements of society which will not only generate more income but expose a wider audience to the history and stories of the Corps.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2022

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 4 May 2023 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Opinion

We have audited the financial statements of The Corps of Royal Electrical and Mechanical Engineers Museum (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet and the related notes to the financial statements, 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 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 UK, including the FRC'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Godfrey Wilson Limited

Date: 4 May 2023

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Corps of Royal Electrical and Mechanical Engineers Museum

Statement of financial activities

For the year ended 31 December 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations	3	-	475,565	475,565	395,310
Charitable activities	4	-	47,560	47,560	34,328
Other trading activities	5	-	2,475	2,475	1,540
Investments	6	-	10,458	10,458	11,441
Total income		-	536,058	536,058	442,619
Expenditure on:					
Raising funds		-	10,396	10,396	7,992
Charitable activities		245	416,811	417,056	453,166
Other expenditure		-	781,478	781,478	-
Total expenditure	8	245	1,208,685	1,208,930	461,158
Net expenditure		(245)	(672,627)	(672,872)	(18,539)
Other recognised gains					
Gains/(losses) on revaluation of heritage assets		-	-	-	(89)
Net movement in funds	9	(245)	(672,627)	(672,872)	(18,628)
Reconciliation of funds:					
Total funds brought forward		<u>2,570</u>	<u>3,310,515</u>	3,313,085	<u>3,331,713</u>
Total funds carried forward		<u>2,325</u>	<u>2,637,888</u>	2,640,213	<u>3,313,085</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17 to the accounts.

The Corps of Royal Electrical and Mechanical Engineers Museum

Balance sheet

As at 31 December 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	12		354,562	239,879
Heritage assets	13		1,991,476	2,712,484
			2,346,038	2,952,363
Current assets				
Debtors	14	231,924		241,578
Cash at bank and in hand		71,317		129,600
		303,241		371,178
Liabilities				
Creditors: amounts falling due within 1 year	15	(9,066)		(10,456)
Net current assets			294,175	360,722
Net assets	16		2,640,213	3,313,085
Funds				
Restricted funds	17		2,325	2,570
Unrestricted funds				
Designated funds			467,334	467,633
General funds			2,170,554	2,842,882
Total charity funds			2,640,213	3,313,085

Approved by the trustees on 4 May 2023 and signed on their behalf by

Stephen Andrews

Maj Gen S M Andrews CBE - Chair

The Corps of Royal Electrical and Mechanical Engineers Museum

Statement of cash flows

For the year ended 31 December 2022

	2022	2021
	£	£
Cash used in operating activities:		
Net movement in funds	(672,872)	(18,628)
Adjustments for:		
Dividends, interest and rents from investments	(10,458)	(11,441)
Depreciation charges	46,315	52,059
Loss on disposal of tangible fixed assets	27,470	-
Loss on disposal of heritage assets	754,008	42,510
Donation of heritage assets	(33,000)	(2,370)
Revaluation (gains) / losses on heritage assets	-	89
Decrease / (increase) in debtors	9,654	(10,717)
Increase / (decrease) in creditors	(1,390)	2,441
Net cash provided by operating activities	119,727	53,943
Cash flows from investing activities:		
Dividends, interest and rents from investments	10,458	11,441
Purchase of tangible fixed assets	(188,468)	(100,701)
Net cash used in investing activities	(178,010)	(89,260)
Decrease in cash and cash equivalents in the year	(58,283)	(35,317)
Cash and cash equivalents at the beginning of the year	129,600	164,917
Cash and cash equivalents at the end of the year	71,317	129,600

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

a) Basis of preparation

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

The Corps of Royal Electrical and Mechanical Engineers Museum 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.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The charity holds unrestricted, general reserves of £2.2m, designated reserves that can be drawn down if necessary of £467k and a cash balance of £71k. For these reasons the trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the proportion of total costs basis:

	2022	2021
Raising funds	0.9%	1.7%
Charitable activities	99.1%	98.3%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and equipment	4 to 10 years straight line basis
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Items of equipment are capitalised where the purchase price exceeds £2,000.

j) Heritage assets

The charity is the repository of thousands of items, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase. The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations which are by their nature subjective. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and no written valuations are available. The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

j) Heritage assets (continued)

The charity's collections comprise over 130,000 items. It is not deemed practical or financially viable to revalue every item within a six-year cycle. The charity has set a valuation limit of £3,000 and only accessioned heritage assets above this limit will be revalued within the rolling cycle, if possible to do so. The charity's staff will endeavour to produce a value for all new acquisitions, including using subject matter experts if required. However, only those valued £3,000 or over will be capitalised as heritage assets.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

o) Pension costs

The charity's payroll is operated by The REME Charity (the parent charity) which operates a defined contribution pension scheme for the employees. There are no further liabilities other than that already recognised in the SOFA.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

p) Accounting estimates and key judgements (continued)

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Derecognition of assets

The decision to write off heritage assets below £3,000 and tangible fixed assets below £2,000 was made by the trustees in order to streamline the management of assets for the museum. As the organisation holds a large number of assets, this policy allows for a simpler register of assets to be maintained, reducing administrative burden and improving efficiency by focusing valuations on high-value heritage assets. This change has resulted in a loss on disposal of heritage assets of £754,008 and tangible fixed assets of £27,470. From an accounting presentation perspective this is shown as a "Loss on Disposal". The Trustees wish to emphasise, however, that this is a one-time occurrence and no assets have been sold or scrapped. It does not reflect any reduction in the overall value or ownership of the organisation's assets or its financial health.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Valuation of heritage assets

The charity's heritage assets are stated at their estimated fair value as disclosed in note 1j and note 13.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations	-	395,310	395,310
Charitable activities	-	34,328	34,328
Other trading activities	-	1,540	1,540
Investments	-	11,441	11,441
		<hr/>	<hr/>
Total income	-	442,619	442,619
		<hr/>	<hr/>
Expenditure on:			
Raising funds	-	7,992	7,992
Charitable activities	1,211	451,955	453,166
		<hr/>	<hr/>
Total expenditure	1,211	459,947	461,158
		<hr/>	<hr/>
Net expenditure	(1,211)	(17,328)	(18,539)
		<hr/>	<hr/>
Transfers between funds	(18,500)	18,500	-
		<hr/>	<hr/>
Other recognised gains			
Gains on revaluation of heritage assets	-	(89)	(89)
		<hr/>	<hr/>
Net movement in funds	(19,711)	1,083	(18,628)
		<hr/>	<hr/>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

3. Income from donations

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
MoD Grant-In-Aid	-	181,754	181,754	178,374
Serving officers and soldiers (Gold Card)	-	93,867	93,867	97,487
Donated services and facilities*	-	17,268	17,268	47,926
The REME Charity	-	149,292	149,292	60,566
Donated heritage assets	-	33,000	33,000	2,370
Individuals	-	384	384	1,293
Coronavirus Job Retention Scheme	-	-	-	7,294
Total income from donations	-	475,565	475,565	395,310

All income from donations in the prior year was unrestricted.

* Donated services and facilities consists of:

	2022 Total £	2021 Total £
Donated staff time	17,268	18,452
Donated facilities - office premises	-	12,484
Donated facilities - utilities and office equipment	-	16,990
	17,268	47,926

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

4. Income from charitable activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Museum admissions	-	42,675	42,675	31,376
Children's activities	-	2,067	2,067	1,895
Research	-	946	946	664
Grants	-	1,872	1,872	393
Total income from charitable activities	-	47,560	47,560	34,328

All income from charitable activities in the prior year was unrestricted.

5. Income from other trading activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Corporate entertainment and room hire	-	2,475	2,475	1,540

All income from other trading activities in the prior year was unrestricted.

6. Investment income

Investment income includes interest earned on cash held in deposit accounts and investments by The REME Charity on behalf of the charity. At 31 December 2022 The REME Charity's investments balance, reported in those accounts as 'Aliquot shares', includes a total market value of £306,705 (2021: £350,602) held on behalf of the charity. The charity's share of income generated by the investments was £10,302 (2021: £11,429). Interest earned on cash held in deposit accounts was £156 (2021: £12).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

7. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities. The total value of such grants in the period ending 31 December 2022 was £181,754 (2021: £185,668 from the Ministry of Defence and the Coronavirus Job Retention Scheme). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

8. Total expenditure

	Raising funds £	Charitable activities £	Other expenditure £	Support and governance costs £	2022 Total £
Staff costs (note 10)	9,803	293,804	-	17,268	320,875
Other staff costs	-	1,489	-	-	1,489
Displays and exhibits	-	4,987	-	-	4,987
Materials, maintenance and repairs	-	-	-	7,436	7,436
Subscriptions	-	2,107	-	-	2,107
Software and website costs	-	-	-	3,479	3,479
Cleaning	-	-	-	12,312	12,312
Other office costs	-	-	-	10,628	10,628
Advertising and marketing	-	-	-	12,116	12,116
Legal and professional	-	-	-	5,708	5,708
Loss on disposal of heritage assets	-	-	754,008	-	754,008
Loss on disposal of fixed assets	-	-	27,470	-	27,470
Depreciation	-	46,315	-	-	46,315
Sub-total	9,803	348,702	781,478	68,947	1,208,930
Allocation of support and gove	593	68,354	-	(68,947)	-
Total expenditure	10,396	417,056	781,478	-	1,208,930

Total governance costs were £5,508 (2021: £5,100).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

8. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Staff costs (note 10)	6,630	259,736	18,452	284,818
Other staff costs	-	1,001	-	1,001
Displays and exhibits	-	544	-	544
Materials, maintenance and repairs	-	9,698	1,004	10,702
Subscriptions	-	1,482	-	1,482
Software and website costs	-	8,891	1,211	10,102
Facilities - building	-	-	12,484	12,484
Facilities - utilities and office equipment	-	-	16,990	16,990
Cleaning	-	-	9,153	9,153
Other office costs	-	-	8,090	8,090
Advertising and marketing	-	-	6,123	6,123
Legal and professional	-	-	5,100	5,100
Loss on disposal of heritage assets	-	42,510	-	42,510
Depreciation	-	52,059	-	52,059
Sub-total	6,630	375,921	78,607	461,158
Allocation of support and governance costs	<u>1,362</u>	<u>77,245</u>	<u>(78,607)</u>	<u>-</u>
Total expenditure	<u>7,992</u>	<u>453,166</u>	<u>-</u>	<u>461,158</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

9. Net movement in funds

This is stated after charging:

	2022	2021
	£	£
Depreciation	46,315	52,059
Loss on disposal of assets	781,478	42,510
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	<u>5,508</u>	<u>5,100</u>

10. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£	£
Staff salaries recharged by The REME Charity	293,804	259,736
Donated staff costs	17,268	18,452
Freelance staff	<u>9,803</u>	<u>6,630</u>
	<u>320,875</u>	<u>284,818</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charity comprise the Trustees, the CEO and Museum Director.

The total employee remuneration of the key management personnel paid by the charity and recognised as a gift in kind were £43,929 and £Nil respectively (2021: £42,846 and £1,185).

	2022	2021
	No.	No.
Average head count	<u>15.00</u>	<u>13.00</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

12. Tangible fixed assets

	Total £
Furniture and equipment	
Cost	
At 1 January 2022	937,229
Additions in year	188,468
Disposals	<u>(329,530)</u>
At 31 December 2022	<u>796,167</u>
Depreciation	
At 1 January 2022	697,350
Charge for the year	46,315
On disposals	<u>(302,060)</u>
At 31 December 2022	<u>441,605</u>
Net book value	
At 31 December 2022	<u><u>354,562</u></u>
At 31 December 2021	<u><u>239,879</u></u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

13. Heritage assets

	Documentary Archive £	Medals £	Models £	Art £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Total £
Brought forward at 1 January 2022	59,476	160,264	211,915	-	148,320	1,526,700	452,830	152,979	2,712,484
Acquisitions	-	-	-	-	-	33,000	-	-	33,000
Disposals	(52,476)	(104,014)	(47,415)	-	(42,093)	(23,700)	(348,330)	(135,980)	(754,008)
Transfers	-	-	-	106,527	(104,527)	-	-	(2,000)	-
Carried forward at 31 December 2022	<u>7,000</u>	<u>56,250</u>	<u>164,500</u>	<u>106,527</u>	<u>1,700</u>	<u>1,536,000</u>	<u>104,500</u>	<u>14,999</u>	<u>1,991,476</u>

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year financial summary of heritage asset transactions:

	2022 £	2021 £	2020 £	2019 £	2018 £
Additions					
Purchases	-	-	340	-	500
Donations	33,000	2,370	2,286	2,231	2,627
Total additions	<u>33,000</u>	<u>2,370</u>	<u>2,626</u>	<u>2,231</u>	<u>3,127</u>
Disposals					
Carrying value	<u>754,008</u>	<u>42,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sales proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revaluation	<u>-</u>	<u>(89)</u>	<u>(166)</u>	<u>716,185</u>	<u>-</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

13. Heritage assets (continued)

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

The charity's collections comprise over 130,000 items, this includes accessioned items and items held as E numbers yet to be accessioned. It is not deemed practical or financially viable to revalue every accessioned item within a six-year cycle. The charity has set a valuation limit of £3,000 and only accessioned heritage assets above this limit will be revalued within the rolling cycle, if possible to do so. The charity's staff will endeavour to produce a value for all new acquisitions, including using subject matter experts if required. However, only those value £3,000 or over will be required to show evidence of valuation source on the valuation spreadsheet.

Disposals in 2022 represent the change in policy to derecognise any asset below £3,000 as set out in accounting policy 1 (p).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

14. Debtors

	2022 £	2021 £
Trade debtors	100	365
Accrued income	58,159	53,527
Prepayments	6,283	-
Due from REME Charity	167,382	187,686
	<u>231,924</u>	<u>241,578</u>

15. Creditors : amounts due within 1 year

	2022 £	2021 £
Accruals	8,581	10,456
Other creditors	485	-
	<u>9,066</u>	<u>10,456</u>

16. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	354,560	1,991,478	2,346,038
Current assets	2,325	112,774	188,142	303,241
Current liabilities	-	-	(9,066)	(9,066)
Net assets at 31 December 2022	<u>2,325</u>	<u>467,334</u>	<u>2,170,554</u>	<u>2,640,213</u>
Prior year comparative				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	226,029	2,726,334	2,952,363
Current assets	2,570	241,604	127,004	371,178
Current liabilities	-	-	(10,456)	(10,456)
Net assets at 31 December 2021	<u>2,570</u>	<u>467,633</u>	<u>2,842,882</u>	<u>3,313,085</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

17. Movements in funds

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Restricted funds				
British Museum Project	<u>2,570</u>	<u>-</u>	<u>(245)</u>	<u>2,325</u>
Total restricted funds	<u>2,570</u>	<u>-</u>	<u>(245)</u>	<u>2,325</u>
Unrestricted funds				
<i>Designated funds:</i>				
Museum Development	<u>467,633</u>	<u>104,509</u>	<u>(104,808)</u>	<u>467,334</u>
<i>Total designated funds</i>	<u>467,633</u>	<u>104,509</u>	<u>(104,808)</u>	<u>467,334</u>
General funds	<u>2,842,882</u>	<u>431,549</u>	<u>(1,103,877)</u>	<u>2,170,554</u>
Total unrestricted funds	<u>3,310,515</u>	<u>536,058</u>	<u>(1,208,685)</u>	<u>2,637,888</u>
Total funds	<u><u>3,313,085</u></u>	<u><u>536,058</u></u>	<u><u>(1,208,930)</u></u>	<u><u>2,640,213</u></u>

Purposes of restricted funds

British Museum Project This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Purposes of designated funds

Museum Development The museum development fund represents income and expenditure the trustees have set aside for the development of the museum over and above the day to day running.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2022

17. Movements in funds (continued)

Prior year comparative	At 1 January 2021 £	Income £	Expenditure £	Gains on revaluation of assets £	Transfers between funds £	At 31 December 2021 £
Restricted funds						
British Museum Project	3,781	-	(1,211)	-	-	2,570
Museum Play Park Fund	18,500	-	-	-	(18,500)	-
Total restricted funds	22,281	-	(1,211)	-	(18,500)	2,570
Unrestricted funds						
<i>Designated funds:</i>						
Museum development	484,961	109,467	(126,795)	-	-	467,633
<i>Total designated funds</i>	<i>484,961</i>	<i>109,467</i>	<i>(126,795)</i>	<i>-</i>	<i>-</i>	<i>467,633</i>
General funds	2,824,471	333,152	(333,152)	(89)	18,500	2,842,882
Total unrestricted funds	3,309,432	442,619	(459,947)	(89)	18,500	3,310,515
Total funds	3,331,713	442,619	(461,158)	(89)	-	3,313,085

18. Related party transactions

The charity's parent entity is The REME Charity (company number 10036700, charity number 1165868), incorporated in the UK. The consolidated accounts are available on the Companies House website. The registered address is the same as that of The REME Museum. The REME Charity is the controlling party and is the sole corporate trustee.

During the year the charity received donations totalling £149,292 from The REME Charity (2021: £60,566). The REME Charity operates payroll and manages transactions through their bank account for the charity. As described in note 6 to the accounts, The REME Charity also holds investments for the charity. The market value of the investments at 31 December 2022 was £306,705 (2021: £350,602). The original transfer of cash for investment is represented in the intercompany balance. At the year end £85,702 was due from The REME Charity (2021: £187,686).

During the year, approximately £8,285 (2021: £4,656) of "free charges" was donated to the REME family in research fees, entrance fees and conference room bookings.

CORPS OF ROYAL ELECTRICAL AND MECHANICAL ENGINEERS MUSEUM

England & Wales - Charity number 272740

Accounts

Charity no. 272740

**The Corps of Royal Electrical and
Mechanical Engineers Museum
Report and Audited Financial Statements
31 December 2021**



The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2021

Charity number 272740

Registered office and operational address The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees The trustees who served during the year and up to the date of this report were as follows:

The REME Charity - sole corporate trustee

Trustees of The REME Charity:

Maj Gen S M Andrews CBE Chairman

Col M J A Bullard MBE

Col (Retd) R Fram MC

Mr A P Graham

Capt PCD Hembery

Col C P Phillips CBE

Mrs C C Riley

Col A J Rogers ADC

Col D G Scott

Col M A Simpson QVRM TD VR

Principal staff

Lt Col (Retd) M J Tizard	Corps Secretary and Chief Executive Officer (resigned June 2021)
Mrs Babs Harris	Chief Executive Officer (appointed August 2021)
Major (Retd) R J Henderson	Museum Director

Bankers Holts Farnborough Branch
Royal Bank of Scotland Plc
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2021

Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2016, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The REME Museum appointed The REME Charity as its sole corporate trustee on 7 June 2016. First registered on 10 December 1976, the Governing Document was a Trust Deed; unincorporated association, which was varied by scheme on 28 April 1998 and further amended by scheme on 7 June 2016.

Background

The REME Museum was first established in 1958 and was located in Moat House in Arborfield. Later the REME Museum was expanded and the collection was held over two locations, the main museum moved from Moat House to a new location in Hazebrouck Barracks in Arborfield and a vehicle collection was established in Prince Phillip Barracks in Bordon. In November 2015, and as part of the larger Defence Technical Training Change Programme move, the REME Museum relocated to its current location in MoD Lyneham. The main collection is held in Building 311 and the reserve vehicle collection is held in building 184, a hangar at A site.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the board of trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the board remains current and effective. There were no changes to the board of trustees in 2021.

Organisational structure and governance

The board of trustees is an independent decision making governing body which meets at least twice a year. The board consists of 10 trustees led by a Chairman. Trustees are given responsibility for different areas of the business, with the Museum having a dedicated trustee. The Museum Development Committee meets twice yearly and short, medium, and long term plans are reviewed. The execution of the day to day running of the business is delegated to Museum Director.

Relationships with other charities

The Museum Fund is a designated fund within The REME Charity, which has the responsibility for governance, invests the Museum's reserves, provides an annual grant and employs the museum staff. The Museum Development Fund raises its own income through donations, independently of The REME Charity.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

Risk management

The REME Charity maintains a risk register which includes risk to the Museum and is reviewed annually. Risks are categorised in five main areas, Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. The REME Museum is dependent on MOD support for staff wages and its building infrastructure and support from The REME Charity. If the MoD funded Grant in Aid ceased and the MOD decided to charge rent for the building, this would have significant impact on the Museum's ability to operate profitably. The Museum is working to become self-sufficient but in the short term, has the financial backing of The REME Charity.

OBJECTS AND ACTIVITIES

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit. The REME Museum provides public benefit by educating the visitors about the character, activities and history of the British Army and specifically the Corps of REME. It does this by telling a compelling story of those who served in the REME, by providing a community hub to build and strengthen the links between the military and civilian communities, and by providing a place of education for soldiers and school children.

Object

The defined object of the REME Museum is to uphold the traditions of the Corps of REME and to perpetuate its deeds.

The REME Museum fulfils its object by holding and maintaining the Corps Collections and ensuring that new members of the Corps are educated in its history. It accurately accounts for all items in the collections and ensures appropriate security measures are in place. It shares its history through loans to other museums and through allowing the general public access to its collections and/or historical records.

2021 themes and activities

Due to COVID-19 government direction, the Museum was unable to open from January 2021 until 18 May 2021. Even after opening, the Museum was still operating under restrictions until 19 July 2021. The impact was that many of our pre-planned events and activities had to be cancelled or postponed. The following was achieved:

a) **Education.** School visits were severely affected by the pandemic after reopening. A number of planned visits were cancelled at short notice due to outbreaks within schools or lack of school staff. After the Museum's reopening, the Museum Development Manager was able to resume delivery of the weekly presentations to military students at MOD Lyneham. Providing a brief on the Corps heritage and the part the REME Museum plays in promoting and preserving it;

b) **Electronic Point of Sales (EPOS).** The Museum installed a EPOS system and also introduced online ticket booking, using the Museum's website using DigiTickets software;

c) **Reputation.** The Museum was awarded the VisitEngland Hidden Gem Accolade for an incredible fourth year in a row. The Museum was also awarded the Trip Advisor Travellers' Choice award 2021. BBC Radio Wiltshire selected the Museum to be the venue to display the 'Remembering Together' poppy mosaic which was unveiled on the reopening of 18 May;

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

d) **Social Media.** The Museum has built on the good work achieved during lockdown in 2020, with the newly appointed Museum Assistant taking on responsibility for the co-ordination of all the Museum's social media posts;

e) **Play Park.** The Museum installed and formally opened its new children's Play Park in June 2021. The play park caters for children aged 3-9 and has fully inclusive play equipment. It was supported by a £20,000 grant from the Armed Forces Covenant Trust Fund with the remaining funds paid from the REME Museum Development Fund;

f) **Events.** After 19 July, the Museum was able to host events once again. The Museum's Wartime Britain and Model show events were both very well attended. The last event of the year, the Christmas Market, was unfortunately affected by the weather (snow and ice) which prevented all stall holders and visitors getting to the Museum; and

g) **Collections care.** We have continued to conduct environmental monitoring throughout 2021. The evidence collected is being used to produce a report and recommendations for improvements to the Museum's internal environment. A plan with costings has been produced to improve the storage of the reserve weapons collection in the Armoury in camp.

Strategies to achieve objects

The trustees make an annual estimate of the likely financial call on the Museum based upon historical data and a planned budget. Due to the COVID-19 pandemic, many of the assumptions made in the planning could not be realised and a larger than normal grant amounting to £60,566 (2020: £47,160) from The REME Charity was required. Income to the Museum Development Fund comes from donations to the Gold Card scheme. The scheme is open to serving members of REME and provides free admission for life for the individual concerned and their family, in return for a small monthly donation over four years. These income strategies enable the object to be met.

Significant charitable activities

The COVID-19 pandemic vastly reduced the activities that could be undertaken. The Museum was able to launch its temporary exhibition in November entitled 'HRH Prince Philip', a collection of memories of His Royal Highness' time as the Corps Colonel in Chief.

ACHIEVEMENTS AND PERFORMANCE

Performance management

The REME Museum recognises the importance of managing performance and it does this by measuring a number of key areas and setting targets in the annual plan. As in 2020, the COVID-19 pandemic has made it difficult to make any comparisons from previous years. Nevertheless, data was recorded across many areas including; the number of visitors, the income generated, museum expenditure, the number of research queries from the public and the number and value of losses from the collections.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

2021 performance

The closure and restrictions imposed on the Museum due to COVID-19 had a considerable impact on the recorded performance figures. The Museum received a total of 7,426 visitors and generated a total income of £31,376. The Museum received 559 email enquiries. The Archives department dealt with a total of 477 research enquiries, 70 carried over from 2020 and further 407 received in 2021. A total of 180 new items were added to the collections with no reported losses. The Museum's educational programme delivered formal education workshops to 691 school pupils accompanied by 81 teachers and teaching assistants. A further 22 pupils received an education workshop virtually.

Performance achieved against fundraising target

The Museum Development Fund raised £97,487 through the Gold Card Scheme and the Museum generated a further £33,580 from admissions, research and corporate hire. The Museum Development fund exceeded its income targets, all other areas were down due to the pandemic.

Factors outside of the charity's control

The enforced closure and operational restrictions due to the COVID-19 pandemic had a considerable affect on the Museum's operation during 2021.

Infrastructure

The lifting of the vinyl flooring throughout the Museum's galleries is still a cause for concern. The Museum has had an independent inspection carried out and is awaiting costings for a number of recommended options to rectify. The Museum will be forwarding the finalised reports to both the Garrison Support Unit and the Defence Infrastructure Organisation, as well as The REME Charity, for consideration. The upgrades to the fire alarms and emergency lighting were completed in the year. Whilst a formal lease has yet to be received, the Museum does have a signed letter from the MoD stating that terms have been agreed for a 30 year lease by the Secretary of State for Defence and the lease is in the process of being concluded.

FINANCIAL REVIEW

Reserves policy

The trustees' policy is not to keep a reserve in the Museum Fund because the Fund is essentially underwritten by The REME Charity. However, The REME Charity does not underwrite the Museum Development Fund. The trustees have decided to restrict expenditure from this fund to mounting exhibitions and the purchase of portable items in order to consolidate and improve the museum in Lyneham. The trustees assess that maintaining cash reserves of at least £100k would be an appropriate planning figure at present to meet this requirement.

Funding sources

The REME Charity (registered number 1165868) provides a grant to assist with the operational costs for the REME Museum and to ensure its continued operation. The REME Charity also manages an investment portfolio of which the Museum has an aliquot shareholding of 2.4459% (2020: 2.4827%); quarterly dividends are received. Grant in Aid, admissions, room rental and archival research provide other revenue and the Gold Card Scheme provided funding for the Development Fund.

Income for the year totalled £442,619 (2020: £435,352) This is split between the Development Fund and the Museum Fund as follows:

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

Museum Fund income for the year totalled £333,152 (2020: £311,051) and included £178,374 MoD Grant in Aid (2020: 179,511), £32,916 (2020: £22,014) in admission and corporate entertainment fees, £664 (2020: £1,455) in research fees, £1,895 (2020: £1,889) in education fees, £60,566 (2020: £47,160) in grants from The REME Charity and other grants and donations of £10,812 (2020: £9,594), as well as services and facilities donated by MoD of £47,926 (2020: £49,428).

Development Fund income (including restricted funds) for the year totalled £109,467 (2020: £124,301). The Museum Gold Card Scheme is a free admission membership scheme which serving officers' and soldiers' can volunteer for. A small monthly donation is collected over a 4 year period and is placed in the Museum Development Fund. Other income comprised investment income of £11,429 (2020: £8,150) and grants, donations, other trading income and bank interest of £551 (2020: £306).

Expenditure

Expenditure for the year totalled £461,158 (2020: £410,232). This is split between the Development Fund and the Museum Fund as follows:

Museum Fund expenditure totalled £333,152 (2020: £322,482) and includes depreciation of £2,770 (2020: £11,431), staff costs (including salaries, donated staff time and freelance staff costs) of £278,189 (2020: £267,698), donated facilities costs of £29,473 (2020: £27,963) and other expenditure of £22,720 (2020: £15,390), which includes expenditure on displays and exhibitions, children's educational activities and other office and premises costs. Staff costs are supported by the Grant in Aid donation from MoD of £178,374 (2020: £179,511).

Development Fund expenditure (including restricted funds) totalled £128,006 (2020: £87,750) and includes depreciation of £49,289 (2020: £47,020), contractor costs of £6,630 (2020: £7,718), advertising and marketing costs of £6,063 (2020: £6,741) and other expenditure of £66,024 (2020: £26,271) which includes expenditure on exhibits, small equipment, IT, website and other office expenses.

Investment policy

The Museum Development Fund has an investment aliquot share of 2.4459% in The REME Charity portfolio and follows their investment policy.

COVID-19

The trustees have considered the impact that the COVID-19 pandemic will have on the charity's current and future financial position. The charity holds unrestricted, general reserves of £2.8m, designated reserves that can be drawn down if necessary of £468k and a cash balance of £130k. The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(b) to the financial statements.

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

The Museum has now been open for 4 and a half years since relocating. Our future aims are based around the following areas:

a) Increasing visibility and visitor numbers; the Museum is having a new quad fold leaflet produced and plans to have it distributed in all major outlets with a 45-minute drive time from the Museum. The Museum will use Pear Distribution to achieve this;

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

b) New additions; we are planning to provide an Anderson shelter large enough to accommodate a school class to enhance the WWII history education workshop. To accompany the workshop module will be a large Dig for Victory garden, and the vegetables grown will be donated to Museum's café to use;

c) External Sculpture; the Museum did hold a number of explorative meetings during 2021. It is planned to continue the progress made during 2022 to result in the creation of a sculpture. This should be bold, contemporary with an enduring visual impact that causes people to pause and think, whilst simultaneously conveying the fact that it is a 'sign/landmark' for the REME Museum;

d) We have been invited to attend a number of external events and shows in 2022. The most significant of which is the Royal British Legion 40th anniversary of the end of the Falklands Conflict. This will be a special commemorative event at the National Memorial Arboretum in Staffordshire and the Museum has been invited to provide a display stand and vehicles; and

e) The Museum is extending its events programme to 8 events for 2022 along with 3 school half term weeks, Easter activities and summer holidays activities. The events are expected to entice a number of visitors from different elements of society which will not only generate more income but expose a wider audience to the history and stories of the Corps.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2021

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 21 April 2022 and signed on their behalf by

Maj Gen S M Andrews


Maj Gen S M Andrews CBE - Chairman of Trustees

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Opinion

We have audited the financial statements of The Corps of Royal Electrical and Mechanical Engineers Museum (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet and the related notes to the financial statements, 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 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 UK, including the FRC'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Our responsibilities for the audit of the financial statements

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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Godfrey Wilson Limited

Date: 21 April 2022

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Corps of Royal Electrical and Mechanical Engineers Museum

Statement of financial activities

For the year ended 31 December 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Donations	3	-	395,310	395,310	381,615
Charitable activities	4	-	34,328	34,328	44,296
Other trading activities	5	-	1,540	1,540	1,062
Investments	6	-	11,441	11,441	8,379
Total income		-	442,619	442,619	435,352
Expenditure on:					
Raising funds		-	7,992	7,992	11,111
Charitable activities		1,211	451,955	453,166	399,121
Total expenditure	8	1,211	459,947	461,158	410,232
Net income		(1,211)	(17,328)	(18,539)	25,120
Transfers between funds		(18,500)	18,500	-	-
Other recognised gains					
Gains/(losses) on revaluation of heritage assets		-	(89)	(89)	(166)
Net movement in funds	9	(19,711)	1,083	(18,628)	24,954
Reconciliation of funds:					
Total funds brought forward		22,281	3,309,432	3,331,713	3,306,759
Total funds carried forward		2,570	3,310,515	3,313,085	3,331,713

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17 to the accounts.

The Corps of Royal Electrical and Mechanical Engineers Museum

Balance sheet

As at 31 December 2021

	Note	£	2021 £	2020 £
Fixed assets				
Tangible assets	12		239,879	191,237
Heritage assets	13		2,712,484	<u>2,752,713</u>
			2,952,363	2,943,950
Current assets				
Debtors	14	241,578		230,861
Cash at bank and in hand		129,600		<u>164,917</u>
		371,178		395,778
Liabilities				
Creditors: amounts falling due within 1 year	15	(10,456)		<u>(8,015)</u>
Net current assets			360,722	<u>387,763</u>
Net assets	16		3,313,085	<u>3,331,713</u>
Funds				
Restricted funds	17		2,570	22,281
Unrestricted funds				
Designated funds			467,633	484,961
General funds			2,842,882	<u>2,824,471</u>
Total charity funds			3,313,085	<u>3,331,713</u>

Approved by the trustees on 21 April 2022 and signed on their behalf by



Maj Gen S M Andrews CBE - Chairman of Trustees

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

a) Basis of preparation

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

The Corps of Royal Electrical and Mechanical Engineers Museum 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.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern despite the ongoing impact of the Covid-19 pandemic. As described in the trustees annual report, the pandemic has meant that the museum has had to close to the public for significant periods in the year which has resulted in a substantial reduction in admission revenue. The charity holds unrestricted, general reserves of £2.8m, designated reserves that can be drawn down if necessary of £468k and a cash balance of £130k. For these reasons the trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the proportion of total costs basis:

	2021	2020
Raising funds	1.7%	2.7%
Charitable activities	98.3%	97.3%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and equipment	4 to 10 years straight line basis
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Items of equipment are capitalised where the purchase price exceeds £2,000.

j) Heritage assets

The charity is the repository of thousands of items, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase. The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations which are by their nature subjective. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and no written valuations are available. The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

o) Pension costs

The charity's payroll is operated by The REME Charity (the parent charity) which operates a defined contribution pension scheme for the employees. There are no further liabilities other than that already recognised in the SOFA.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Valuation of heritage assets

The charity's heritage assets are stated at their estimated fair value as disclosed in note 1j and note 13.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
Income from:			
Donations	-	381,615	381,615
Charitable activities	20,000	24,296	44,296
Other trading activities	-	1,062	1,062
Investments	-	8,379	8,379
Total income	<u>20,000</u>	<u>415,352</u>	<u>435,352</u>
Expenditure on:			
Raising funds	-	11,111	11,111
Charitable activities	<u>1,500</u>	<u>397,621</u>	<u>399,121</u>
Total expenditure	<u>1,500</u>	<u>408,732</u>	<u>410,232</u>
Net income	<u>18,500</u>	<u>6,620</u>	<u>25,120</u>
Transfers between funds	-	-	-
Other recognised gains			
Gains on revaluation of heritage assets	<u>-</u>	<u>(166)</u>	<u>(166)</u>
Net movement in funds	<u>18,500</u>	<u>6,454</u>	<u>24,954</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

3. Income from donations

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
MoD Grant-In-Aid	-	178,374	178,374	179,511
Serving officers and soldiers (Gold Card)	-	97,487	97,487	95,845
Donated services and facilities*	-	47,926	47,926	49,428
The REME Charity	-	60,566	60,566	47,160
Donated heritage assets	-	2,520	2,520	2,286
Individuals	-	1,143	1,143	210
Coronavirus Job Retention Scheme	-	7,294	7,294	7,157
Others	-	-	-	18
Total income from donations	-	395,310	395,310	381,615

All income from donations in the prior year was unrestricted.

* Donated services and facilities consists of:

	2021 Total £	2020 Total £
Donated staff time	18,452	21,465
Donated facilities - office premises	12,484	11,844
Donated facilities - utilities and office equipment	16,990	16,119
	47,926	49,428

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

4. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £
Museum admissions	-	31,376	31,376
Children's activities	-	1,895	1,895
Research	-	664	664
Grants	-	393	393
Total income from charitable activities	-	34,328	34,328

Prior period comparative

	Restricted £	Unrestricted £	2020 Total £
Museum admissions	-	20,952	20,952
Children's activities	-	1,889	1,889
Research	-	1,455	1,455
Grants	20,000	-	20,000
	20,000	24,296	44,296

5. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Corporate entertainment and room hire	-	1,540	1,540	1,062

All income from other trading activities in the prior year was unrestricted.

6. Investment income

Investment income includes interest earned on cash held in deposit accounts and investments by The REME Charity on behalf of the charity. At 31 December 2021 The REME Charity's investments balance, reported in those accounts as 'Aliquot shares', includes a total market value of £350,602 (2020: £318,406) held on behalf of the charity. The charity's share of income generated by the investments was £11,429 (2020: £8,150). Interest earned on cash held in deposit accounts was £12 (2020: £229).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

7. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities and grants from the Coronavirus Job Retention Scheme. The total value of such grants in the period ending 31 December 2021 was £185,668 (2020: £186,668). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

8. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Staff costs (note 10)	6,630	259,736	18,452	284,818
Other staff costs	-	1,001	-	1,001
Displays and exhibits	-	544	-	544
Materials, maintenance and repairs	-	9,698	1,004	10,702
Subscriptions	-	1,482	-	1,482
Software and website costs	-	8,891	1,211	10,102
Facilities - building	-	-	12,484	12,484
Facilities - utilities and office equipment	-	-	16,990	16,990
Cleaning	-	-	9,153	9,153
Other office costs	-	-	8,090	8,090
Advertising and marketing	-	-	6,123	6,123
Legal and professional	-	-	5,100	5,100
Loss on disposal of heritage assets	-	42,510	-	42,510
Depreciation	-	52,059	-	52,059
Sub-total	6,630	375,921	78,607	461,158
Allocation of support and governance costs	<u>1,362</u>	<u>77,245</u>	<u>(78,607)</u>	<u>-</u>
Total expenditure	<u>7,992</u>	<u>453,166</u>	<u>-</u>	<u>461,158</u>

Total governance costs were £5,100 (2020: £4,920).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

8. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Cost of events	1,477	-	-	1,477
Staff costs (note 10)	7,718	246,233	21,465	275,416
Other staff costs	-	183	-	183
Displays and exhibits	-	4,019	-	4,019
Materials, maintenance and repairs	-	13,276	351	13,627
Subscriptions	-	2,074	-	2,074
Software and website costs	-	6,070	-	6,070
Facilities - building	-	-	11,844	11,844
Facilities - utilities and office equipment	-	-	16,119	16,119
Cleaning	-	-	2,556	2,556
Other office costs	-	-	6,465	6,465
Advertising and marketing	-	-	7,011	7,011
Legal and professional	-	-	4,920	4,920
Depreciation	-	58,451	-	58,451
Sub-total	9,195	330,306	70,731	410,232
Allocation of support and governance costs	1,916	68,815	(70,731)	-
Total expenditure	11,111	399,121	-	410,232

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

9. Net movement in funds

This is stated after charging:

	2021	2020
	£	£
Depreciation	52,059	58,451
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	<u>5,100</u>	<u>4,920</u>

10. Staff costs and numbers

Staff costs were as follows:

	2021	2020
	£	£
Staff salaries recharged by The REME Charity	259,736	246,233
Donated staff costs	18,452	21,465
Freelance staff	<u>6,630</u>	<u>7,718</u>
	<u>284,818</u>	<u>275,416</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charity comprise the Trustees, the CEO and Museum Director.

The total employee remuneration of the key management personnel paid by the charity and recognised as a gift in kind were £42,846 and £1,185 respectively (2020: £41,604 and £2,732).

	2021	2020
	No.	No.
Average head count	<u>13.00</u>	<u>13.00</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

12. Tangible fixed assets

	Total £
Furniture and equipment	
Cost	
At 1 January 2021	836,528
Additions in year	<u>100,701</u>
At 31 December 2021	<u>937,229</u>
Depreciation	
At 1 January 2021	645,291
Charge for the year	<u>52,059</u>
At 31 December 2021	<u>697,350</u>
Net book value	
At 31 December 2021	<u><u>239,879</u></u>
At 31 December 2020	<u><u>191,237</u></u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

13. Heritage assets

	Documentary Archive £	Medals £	Models £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Total £
Brought forward at 1 January 2021	59,441	159,270	211,515	190,680	1,526,700	452,800	152,307	2,752,713
Acquisitions	35	1,022	500	100	-	30	683	2,370
Disposals	-	-	-	(42,500)	-	-	(10)	(42,510)
Revaluations	-	(28)	(100)	40	-	-	(1)	(89)
Carried forward at 31 December 2021	<u>59,476</u>	<u>160,264</u>	<u>211,915</u>	<u>148,320</u>	<u>1,526,700</u>	<u>452,830</u>	<u>152,979</u>	<u>2,712,484</u>

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year financial summary of heritage asset transactions:

	2021 £	2020 £	2019 £	2018 £	2017 £
Additions					
Purchases	-	340	-	500	-
Donations	2,370	2,286	2,231	2,627	1,813
Total additions	2,370	2,626	2,231	3,127	1,813
Disposals					
Carrying value	42,510	-	-	-	10,415
Sales proceeds	-	-	-	-	-
Revaluation	(89)	(166)	716,185	-	4,525

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

13. Heritage assets (continued)

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

14. Debtors

	2021	2020
	£	£
Trade debtors	365	1,400
Accrued income	53,527	52,514
Due from REME Charity	<u>187,686</u>	<u>176,947</u>
	<u><u>241,578</u></u>	<u><u>230,861</u></u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

15. Creditors : amounts due within 1 year

	2021 £	2020 £
Accruals	<u>10,456</u>	<u>8,015</u>

16. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	226,029	2,726,334	2,952,363
Current assets	2,570	241,604	127,004	371,178
Current liabilities	<u>-</u>	<u>-</u>	<u>(10,456)</u>	<u>(10,456)</u>
Net assets at 31 December 2021	<u>2,570</u>	<u>467,633</u>	<u>2,842,882</u>	<u>3,313,085</u>

Prior year comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	174,617	2,769,333	2,943,950
Current assets	22,281	310,344	63,153	395,778
Current liabilities	<u>-</u>	<u>-</u>	<u>(8,015)</u>	<u>(8,015)</u>
Net assets at 31 December 2020	<u>22,281</u>	<u>484,961</u>	<u>2,824,471</u>	<u>3,331,713</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

17. Movements in funds

	At 1 January 2021 £	Income £	Expenditure £	Gains on revaluation of assets £	Transfers between funds £	At 31 December 2021 £
Restricted funds						
British Museum Project	3,781	-	(1,211)	-	-	2,570
Museum Play Park Fund	18,500	-	-	-	(18,500)	-
Total restricted funds	22,281	-	(1,211)	-	(18,500)	2,570
Unrestricted funds						
<i>Designated funds:</i>						
Museum Development	484,961	109,467	(126,795)	-	-	467,633
<i>Total designated funds</i>	<i>484,961</i>	<i>109,467</i>	<i>(126,795)</i>	<i>-</i>	<i>-</i>	467,633
General funds	2,824,471	333,152	(333,152)	(89)	18,500	2,842,882
Total unrestricted funds	3,309,432	442,619	(459,947)	(89)	18,500	3,310,515
Total funds	3,331,713	442,619	(461,158)	(89)	-	3,313,085

Purposes of restricted funds

British Museum Project This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Museum Play Park Fund This relates to a grant from The Armed Forces Covenant Fund Trust that supports community projects. In the prior year the REME Museum was granted £20,000 for the installation of a children's play park in the grounds of the Museum to benefit the REME family and wider community. The work was completed in 2021.

Purposes of designated funds

Museum Development The museum development fund represents income and expenditure the trustees have set aside for the development of the museum over and above the day to day running.

Transfers between funds

The transfer of funds from the Museum Play Park Fund represents capital expenditure for the children's play park that was incurred during the year.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2021

17. Movements in funds (continued)

Prior year comparative	At 1 January 2020 £	Income £	Expenditure £	Gains on revaluation of assets £	Transfers between funds £	At 31 December 2020 £
Restricted funds						
British Museum Project	3,781	-	-	-	-	3,781
Museum Play Park Fund	-	20,000	(1,500)	-	-	18,500
Total restricted funds	3,781	20,000	(1,500)	-	-	22,281
Unrestricted funds						
<i>Designated funds:</i>						
Museum development	466,910	104,301	(86,250)	-	-	484,961
<i>Total designated funds</i>	<i>466,910</i>	<i>104,301</i>	<i>(86,250)</i>	<i>-</i>	<i>-</i>	<i>484,961</i>
General funds	2,836,068	311,051	(322,482)	(166)	-	2,824,471
Total unrestricted funds	3,302,978	415,352	(408,732)	(166)	-	3,309,432
Total funds	3,306,759	435,352	(410,232)	(166)	-	3,331,713

18. Related party transactions

The charity's parent entity is The REME Charity (company number 10036700, charity number 1165868), incorporated in the UK. The consolidated accounts are available on the Companies House website. The registered address is the same as that of The REME Museum. The REME Charity is the controlling party and is the sole corporate trustee.

During the year the charity received donations totalling £60,566 from The REME Charity (2020: £47,160). The REME Charity operates payroll and manages transactions through their bank account for the charity. As described in note 6 to the accounts, The REME Charity also holds investments for the charity. The market value of the investments at 31 December 2021 was £350,602 (2020: £318,406). The original transfer of cash for investment is represented in the intercompany balance. At the year end £187,686 was due from The REME Charity (2020: £176,947).

During the year, approximately £4,656 (2020: £5,400) of "free charges" was donated to the REME family in research fees, entrance fees and conference room bookings.

CORPS OF ROYAL ELECTRICAL AND MECHANICAL ENGINEERS MUSEUM

England & Wales - Charity number 272740

Accounts

Charity no. 272740

**The Corps of Royal Electrical and
Mechanical Engineers Museum
Report and Audited Financial Statements
31 December 2020**



The Corps of Royal Electrical and Mechanical Engineers Museum

Reference and administrative details

For the year ended 31 December 2020

Charity number 272740

Registered office and operational address The REME Charity, RHQ REME
The Prince Philip Barracks
MoD Lyneham
Lyneham
Chippenham
SN15 4XX

Trustees The trustees who served during the year and up to the date of this report were as follows:

The REME Charity - sole corporate trustee

Trustees of The REME Charity:

Maj Gen S M Andrews CBE Chairman

Col M J A Bullard MBE

Col (Retd) R Fram MC

Mr A P Graham

Capt PCD Hembery

Col C P Phillips CBE

Ms C C Robinson

Col A J Rogers ADC

Col D G Scott

Col M A Simpson QVRM TD VR

Principal staff Lt Col (Retd) M J Tizard Corps Secretary and Chief Executive Officer
Major (Retd) R J Henderson Museum Director
Mrs Claire Barrett Treasurer (resigned 3 March 2021)
Mr Stephen Butcher Treasurer (appointed 1 February 2021)

Bankers Holts Farnborough Branch
Royal Bank of Scotland Plc Lawrie House
Victoria Road
Farnborough
GU14 7NR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2016, the Charities (Accounts and Reports) Regulations, and the Charities Statement of Recommended Practice (FRS102) effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The REME Museum appointed The REME Charity as its sole corporate trustee on 7 June 2016. First registered on 10 December 1976, the Governing Document was a Trust Deed; unincorporated association, which was varied by scheme on 28 April 1998 and further amended by scheme on 7 June 2016.

Background

The REME Museum was first established in 1958 and was located in Moat House in Arborfield. Later the REME Museum was expanded and the collection was held over two locations, the main museum moved from Moat House to a new location in Hazebrouck Barracks in Arborfield and a vehicle collection was established in Prince Phillip Barracks in Bordon. In November 2015, and as part of the larger Defence Technical Training Change Programme move, the REME Museum relocated to its current location in MoD Lyneham. The main collection is held in Building 311 and the reserve vehicle collection is held in building 184, a hangar at A site.

Recruitment and appointment of trustees

Trustees are selected by virtue of their knowledge, experience and expertise and are invited onto the Board of Trustees after recommendation. They are encouraged to keep themselves up to date with current regulatory, reporting and compliance related matters thereby enabling them to fulfil their obligations. Succession plans are in place to ensure the Board remains current and effective. There were no changes to the Board of Trustees in 2020.

Organisational structure and governance

The REME Charity is the sole corporate trustee of The REME Museum. The REME Charity has a board of trustees, which are an independent decision making governing body that meets at least twice a year. The board consists of 10 trustees led by a Chairman. Trustees are given responsibility for different areas of the business, with the Museum having a dedicated trustee, Col (Retd) R Fram MC. The Museum Development Committee meets twice yearly and short, medium, and long term plans are reviewed. The execution of the day to day running of the business is delegated to the Museum Director.

Relationships with other charities

The Museum Fund is a restricted fund within the REME Charity, which has the responsibility for governance, invests the Museum's reserves, provides an annual grant and employs the museum staff. The Museum Development Fund raises its own income through donations, independently of the REME Charity.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

Risk management

The REME Charity maintains a risk register which includes risk to the Museum and is reviewed annually. Risks are categorised in five main areas, Impact, Financial Sustainability, Compliance, Operational and Hazards and Reputation. The REME Museum is dependent on MOD support for staff wages and its building infrastructure and support from the REME Charity. If the MoD funded Grant in Aid ceased and the MOD decided to charge rent for the building, this would have significant impact on the Museum's ability to operate profitably. The Museum is working to become self-sufficient but in the short term, has the financial backing of The REME Charity.

OBJECTS AND ACTIVITIES

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit. The REME Museum provides public benefit by educating the visitors about the character, activities and history of the British Army and specifically the Corps of REME. It does this by telling a compelling story of those who served in the REME, by providing a community hub to build and strengthen the links between the military and civilian communities, and by providing a place of education for soldiers and school children.

Object

The defined object of the REME Museum is to uphold the traditions of the Corps of REME and to perpetuate its deeds.

The REME Museum fulfils its object by holding and maintaining the Corps Collections and ensuring that new members of the Corps are educated in its history. It accurately accounts for all items in the collections and ensures appropriate security measures are in place. It shares its history through loans to other museums and through allowing the general public access to its collections and/or historical records.

2020 themes and activities

The COVID -19 pandemic disrupted many of our planned themes and activities during 2020. The Museum followed Government rules and guidelines and was closed for two periods throughout the year; March to July and November / December 2020. The impact was that many of our themes and activities could not be followed through as we would have liked. The following was achieved:

a) **Education.** The pandemic had only a small impact on the number of recruits passing through Lyneham and out of the lockdown periods the Museum Business Development manager delivered a steady programme of weekly presentations explaining Corps history and the part the REME Museum plays in its maintenance. Unfortunately, the education officer was unable to continue with the school visit programme but did provide outreach sessions and during lockdown provided online video and activity sessions;

b) **The Tourist Route.** The year started on a positive note with a number of coach and bus tour operators planning visits to the Museum. However, the pandemic caused a complete cessation of activities and no tours visited the Museum from the end of March 2020;

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

c) **Reputation.** The Museum's reputation continues to build and for an unprecedented third year in a row, it was awarded the Hidden Gem Award from Visit England. The Museum has been awarded the Trip Advisor Travellers' Choice award 2020 and the café was also awarded the South West England, Taste of the West Silver Award and is becoming the social place to visit. During the lockdown plans were made to install a themed children's play park and work will be undertaken in 2021;

d) **Social Media.** Whilst in lockdown staff were able to continue to work from home with laptops provided by MOD Lyneham. A lot of good work was achieved promoting the Museum on our social media platforms. A planned programme of posts ensured a range of interests groups were engaged and our follower numbers have significantly increased;

e) **Virtual Tour.** As visitors were unable to visit in person during lockdown the Museum commissioned a virtual tour which was made available to view on our website;

f) **Corporate hire.** A large drop down screen has been installed in our largest gallery as well as modifying some fixed displays to become mobile to provide a larger usable space; and

g) **Collections care.** The Museum took part in the South West Museums development project entitled Pest Partners in 2020. We have also conducted a collection care survey throughout 2020 using data from our Tiny Tags data loggers. Once all the data has been analysed we will identify areas for improvement. We have provided additional shelving in the main Museum but have yet, due to the pandemic, to provide bespoke shelving and storage for the reserve weapons collection in the Armoury in camp.

Strategies to achieve objects

The Trustees make an annual estimate of the likely financial call on the Museum based upon historical data and a planned budget. Due to the COVID-19 pandemic many of the assumptions made in the planning could not be realised and a larger than normal grant amounting to £47,160 (2019: £30,250) from the REME Charity was required. Income to the Museum Development Fund comes from donations to the Gold Card scheme. The scheme is open to serving members of REME and provides free admission for life for the individual concerned and their family, in return for a small monthly donation over four years. These income strategies enable the object to be met.

Significant charitable activities

The COVID-19 pandemic vastly reduced the activities that could be undertaken. The commemoration of the 75th anniversary of the takeover of the former VW factory at Wolfsburg by the British Army, which was due to be a flagship event for the year, was unfortunately cancelled.

ACHIEVEMENTS AND PERFORMANCE

Performance management

The REME Museum recognises the importance of managing performance and it does this by measuring a number of key areas and setting targets in the annual plan. This was not a normal year and the COVID-19 pandemic has made it difficult to make any comparisons from previous years. Nevertheless, data was recorded across many areas including; the number of visitors; the income generated; museum expenditure; the number of research queries from the public; the number and value of losses from the collections.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

2020 performance

The COVID-19 pandemic hit during the Museum's third full operating year and it has had a considerable impact on the recorded performance figures. The Museum received a total of 5,191 visitors and generated a total income of £25,670. Unsurprisingly the number of research enquiries increased to 569. A total of 326 new items were added to the collections with no reported losses. The Museum's educational programme delivered formal education workshops to 147 school pupils at the Museum and to a further 279 pupils within schools, which is considerably down on previous years. Despite the COVID-19 pandemic the Museum's reputation continues to grow with excellent feedback on both social media and in person.

Performance achieved against fundraising target

The Museum Development Fund raised £95,845 through the Gold Card Scheme and the Museum generated a further £25,359 from admissions, research, education and corporate hire. While the Museum Development fund met its income targets, all other areas were down due to the pandemic.

Factors outside of the charity's control

No one could have predicted the impact the COVID-19 pandemic would have on the Museum. Other areas included the reliance upon the MoD for the provision of infrastructure, utilities, IT and telephones and a percentage of staff costs are outside the control of the charity.

Infrastructure

Roof leaks caused a temporary closure of the Museum in 2020 however these were repaired in December. The vinyl flooring lifting is a cause for concern and the Garrison Support Unit in conjunction with the Defence Infrastructure Organisation are investigating a number of costed remedial options. The upgrades to the fire alarms and emergency lighting raised during a fire officer's inspection in February 2017 are being undertaken in 2021, in the interim the building is still classified fit to open to the public. Whilst a formal lease has yet to be received, the Museum does have a signed letter from the MoD stating that terms have been agreed for a 30 year lease by the Secretary of State for Defence and the lease is in the process of being concluded.

FINANCIAL REVIEW

Reserves policy

The trustees' policy is not to keep a reserve in the Museum Fund because the Fund is essentially underwritten by the REME Charity. However, the REME Charity does not underwrite the Museum Development Fund. The trustees have decided to restrict expenditure from this fund to mounting exhibitions and the purchase of portable items in order to consolidate and improve the museum in Lyneham. The trustees assess that maintaining cash reserves of at least £100k would be an appropriate planning figure at present to meet this requirement.

Funding sources

The REME Charity (Registered Number 1165868) provides a grant to assist with the operational costs for the REME Museum and to ensure its continued operation. The REME Charity also manages an investment portfolio of which the Museum has an aliquot shareholding of 2.4827% (2019: 1.2489%); quarterly dividends are received. As a result of the COVID-19 pandemic it became difficult to spend money from the Museum Development fund and in June 2020, £150,000 was transferred to investments. Grant in Aid, admissions, room rental and archival research provide other revenue and the Gold Card Scheme provided funding for the Development Fund.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

Income for the year totalled £435,352 (2019: £403,036). This is split between the Development Fund and the Museum Fund as follows:

Museum Fund income for the year totalled £311,051 (2019: £304,870) and included £179,511 MoD Grant in Aid (2019: £170,443), £22,014 (2019: £49,075) in admission and corporate entertainment fees, £1,455 (2019: £2,727) in research fees, £1,889 (2019: £3,608) in education fees, £47,160 (2019: £32,250) in grants from the REME Charity and other grants and donations of £9,594 (2019: £6,747), as well as services and facilities donated by MoD of £49,428 (2019: £42,020).

Development Fund income (including restricted funds) for the year totalled £124,301 (2019: £98,166). The Museum Gold Card Scheme is a free admission membership scheme which serving officers' and soldiers' can volunteer for. A small monthly donation is collected over a 4 year period and is placed in the Museum Development Fund. In 2020 this generated an income of £95,485 (2019: £92,299) against a target of £82,803 (2019: £82,799). A restricted grant of £20,000 was received to build outdoor children's play equipment (2019: £nil). Other income comprised investment income of £8,150 (2019: £4,902) and grants, donations, other trading income and bank interest of £306 (2019: £965).

Expenditure

Expenditure for the year totalled £410,232 (2019: £394,342). This is split between the Development Fund and the Museum Fund as follows:

Museum Fund expenditure totalled £322,482 (2019: £318,376) and includes depreciation of £11,431 (2019: £13,509), staff costs (including salaries, donated staff time and freelance staff costs) of £267,698 (2019: £254,703), donated facilities costs of £27,963 (2019: £27,700) and other expenditure of £15,390 (2019: £22,464), which includes expenditure on displays and exhibitions, children's educational activities and other office and premises costs. Staff costs are supported by the Grant in Aid donation from MoD of £179,511 (2019: £170,443).

Development Fund expenditure (including restricted funds) totalled £87,750 (2019: £75,966) and includes depreciation of £47,020 (2019: £43,308), contractor costs of £7,718 (2019: £6,413), Advertising and marketing costs of £6,741 (2019: £18,468) and other expenditure of £26,271 (2019: £7,777) which includes expenditure on exhibits, small equipment, IT, website and other office expenses.

Investment policy

The Museum Development Fund has an investment aliquot share of 2.4827% in the REME Charity portfolio and follows their investment policy.

COVID-19

The trustees have considered the impact that the COVID-19 pandemic will have on the charity's current and future financial position. The charity holds unrestricted, general reserves of £2.8m, designated reserves that can be drawn down if necessary of £485k and a cash balance of £165k. The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1(b) to the financial statements.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

PLANS FOR FUTURE PERIODS

Future aims, objectives and planned outputs

The Museum has now been through 3 full operating years since relocating. Our future aims are based around the following areas:

a) Increasing visitor numbers; it is planned to try and increase footfall by targeting the group travel trade. The Museum is working with the group travel trade section of VisitWiltshire tourism board and will sign up to Travel Exchange GB (TXGB). TXGB links the content, availability and pricing on our booking system directly to participating distributors of our choice. This provides wider visibility of the Museum's offers to the group travel trade industry;

b) The Museum is extending its events programme to seven activities for 2021 along with 3 school half term and Easter activities weeks. The events will entice a number of visitors from different elements of society which will not only generate more income but expose a wider audience to the history and stories of the Corps. All of these will be dependent on Covid-19 restrictions in place at the time;

c) Marketing; we took advantage of a free offer to use Google ads to promote the Museum. We will monitor the success of the targeted ads campaigns to determine if we are achieving a greater increase in website traffic. We will look to restart the project to commission a new, permanent and external sculpture that had to be put on hold in 2020 due to the pandemic. The sculpture will be bold, contemporary with an enduring visual impact that causes people to pause and think, whilst simultaneously conveying the fact that it is a 'sign/landmark' for the REME Museum;

d) We were invited to attend a number of VW related shows in 2020 which unfortunately were cancelled due the pandemic. We will be purchasing a clever frame temporary exhibition system to provide a professional travelling exhibition stand for any of these shows that are able to go ahead in 2021. Our presence at these shows not only promotes REME involvement in the VW story but will market the Museum;

e) Electronic Point of Sales; the Museum plans to install a new integrated till system which will also work with the new proposed on line ticketing system. This is delayed until pandemic restrictions are lifted and an on-site survey can be carried out;

f) Information Technology; the Museum launches its new website in 2021 with an integrated online ticket booking system to follow; and

g) Collections Care; using the information gathered from the 2020 study we will prioritise areas for improvement. Bespoke weapons storage will be purchased to improve the storage of the reserve weapons collections in the Armoury in camp.

The Corps of Royal Electrical and Mechanical Engineers Museum

Report of the trustees

For the year ended 31 December 2020

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 21 April 2021 and signed on their behalf by



Maj Gen S M Andrews CBE - Chairman of Trustees

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Opinion

We have audited the financial statements of The Corps of Royal Electrical and Mechanical Engineers Museum (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet and the related notes to the financial statements, 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 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 UK, including the FRC'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

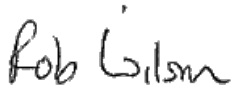
Independent auditors' report

To the members of

The Corps of Royal Electrical and Mechanical Engineers Museum

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 23 April 2021

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Corps of Royal Electrical and Mechanical Engineers Museum

Statement of financial activities

For the year ended 31 December 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income from:					
Donations	3	-	381,615	381,615	338,274
Charitable activities	4	20,000	24,296	44,296	51,535
Other trading activities	5	-	1,062	1,062	7,875
Investments	6	-	8,379	8,379	5,352
Total income		<u>20,000</u>	<u>415,352</u>	<u>435,352</u>	<u>403,036</u>
Expenditure on:					
Raising funds		-	11,111	11,111	10,599
Charitable activities		<u>1,500</u>	<u>397,621</u>	<u>399,121</u>	<u>383,743</u>
Total expenditure	8	<u>1,500</u>	<u>408,732</u>	<u>410,232</u>	<u>394,342</u>
Net income		18,500	6,620	25,120	8,694
Transfers between funds		-	-	-	-
Other recognised gains					
Gains/(losses) on revaluation of heritage assets		<u>-</u>	<u>(166)</u>	<u>(166)</u>	<u>716,185</u>
Net movement in funds	9	18,500	6,454	24,954	724,879
Reconciliation of funds:					
Total funds brought forward		<u>3,781</u>	<u>3,302,978</u>	<u>3,306,759</u>	<u>2,581,880</u>
Total funds carried forward		<u><u>22,281</u></u>	<u><u>3,309,432</u></u>	<u><u>3,331,713</u></u>	<u><u>3,306,759</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17 to the accounts.

The Corps of Royal Electrical and Mechanical Engineers Museum

Balance sheet

As at 31 December 2020

	Note	£	2020 £	2019 £
Fixed assets				
Tangible assets	12		191,237	224,970
Heritage assets	13		2,752,713	<u>2,750,253</u>
			2,943,950	2,975,223
Current assets				
Debtors	14	230,861		83,891
Cash at bank and in hand		164,917		<u>257,436</u>
		395,778		341,327
Liabilities				
Creditors: amounts falling due within 1 year	15	(8,015)		<u>(9,791)</u>
Net current assets			387,763	<u>331,536</u>
Net assets	16		3,331,713	<u>3,306,759</u>
Funds				
Restricted funds	17		22,281	3,781
Unrestricted funds				
Designated funds			484,961	466,910
General funds			2,824,471	<u>2,836,068</u>
Total charity funds			3,331,713	<u>3,306,759</u>

Approved by the trustees on 21 April 2021 and signed on their behalf by

Stephen Andrews



Maj Gen S M Andrews CBE - Chairman of Trustees

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies

a) Basis of preparation

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

The Corps of Royal Electrical and Mechanical Engineers Museum 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.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern despite the ongoing impact of the Covid-19 pandemic. As described in the trustees annual report, the pandemic has meant that the museum has had to close to the public for significant periods in the year which has resulted in a substantial reduction in admission revenue. The charity holds unrestricted, general reserves of £2.8m, designated reserves that can be drawn down if necessary of £485k and a cash balance of £165k. For these reasons the trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the proportion of total costs basis:

	2020	2019
Raising funds	2.7%	2.7%
Charitable activities	97.3%	97.3%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and equipment	4 to 10 years straight line basis
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Items of equipment are capitalised where the purchase price exceeds £2,000.

j) Heritage assets

The charity is the repository of thousands of items, the majority of which have been donated over many years both by individuals and by regimental units that have been closed. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase. The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations which are by their nature subjective. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection. The trustees have valued the heritage assets where available by reference to these experts, however valuations are often informal and no written valuations are available. The assets are considered to have indeterminate lives and the trustees therefore do not consider it appropriate to charge depreciation.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies (continued)

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

o) Pension costs

The charity's payroll is operated by The REME Charity (the parent charity) which operates a defined contribution pension scheme for the employees. There are no further liabilities other than that already recognised in the SOFA.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Valuation of heritage assets

The charity's heritage assets are stated at their estimated fair value as disclosed in note 1j and note 13.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2019 Total £
Income from:			
Donations	-	338,274	338,274
Charitable activities	4,000	47,535	51,535
Other trading activities	-	7,875	7,875
Investments	-	5,352	5,352
Total income	<u>4,000</u>	<u>399,036</u>	<u>403,036</u>
Expenditure on:			
Raising funds	-	10,599	10,599
Charitable activities	219	383,524	383,743
Total expenditure	<u>219</u>	<u>394,123</u>	<u>394,342</u>
Net income	<u>3,781</u>	<u>4,913</u>	<u>8,694</u>
Transfers between funds	(1,328)	1,328	-
Other recognised gains			
Gains on revaluation of heritage assets	-	716,185	716,185
Net movement in funds	<u>2,453</u>	<u>722,426</u>	<u>724,879</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

3. Income from donations

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
MoD Grant-In-Aid	-	179,511	179,511	170,443
Serving officers and soldiers (Gold Card)	-	95,845	95,845	92,299
Donated services and facilities*	-	49,428	49,428	42,020
The REME Charity	-	47,160	47,160	30,250
Donated heritage assets	-	2,286	2,286	2,231
Individuals	-	210	210	500
Other donations	-	-	-	324
Coronavirus Job Retention Scheme	-	7,157	7,157	-
Others	-	18	18	207
Total income from donations	-	381,615	381,615	338,274

All income from donations in the prior year was unrestricted.

* Donated services and facilities consists of:

	2020 Total £	2019 Total £
Donated staff time	21,465	14,320
Donated facilities - office premises	11,844	11,732
Donated facilities - utilities and office equipment	16,119	15,968
	49,428	42,020

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

4. Income from charitable activities

	Restricted £	Unrestricted £	2020 Total £
Museum admissions	-	20,952	20,952
Children's activities	-	1,889	1,889
Research	-	1,455	1,455
Grants	20,000	-	20,000
Total income from charitable activities	20,000	24,296	44,296

Prior period comparative

	Restricted £	Unrestricted £	2019 Total £
Museum admissions	-	41,200	41,200
Children's activities	-	3,608	3,608
Research	-	2,727	2,727
Grants	4,000	-	4,000
	4,000	47,535	51,535

5. Income from other trading activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Corporate entertainment and room hire	-	1,062	1,062	7,875

All income from other trading activities in the prior year was unrestricted.

6. Investment income

Investment income includes interest earned on cash held in deposit accounts and investments by The REME Charity on behalf of the charity. At 31 December 2020 The REME Charity's investments balance, reported in those accounts as 'Aliquot shares', includes a total market value of £318,406 (2019: £149,717) held on behalf of the charity. The charity's share of income generated by the investments was £8,150 (2019: £4,902). Interest earned on cash held in deposit accounts was £229 (2019: £450).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

7. Government grants

The charity receives government grants, defined as funding from the Ministry of Defence to fund charitable activities and grants from the Coronavirus Job Retention Scheme. The total value of such grants in the period ending 31 December 2020 was £186,668 (2019: £170,443). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

8. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Cost of events	1,477	-	-	1,477
Staff costs (note 10)	7,718	246,233	21,465	275,416
Other staff costs	-	183	-	183
Displays and exhibits	-	4,019	-	4,019
Materials, maintenance and repairs	-	13,276	351	13,627
Subscriptions	-	2,074	-	2,074
Software and website costs	-	6,070	-	6,070
Facilities - building	-	-	11,844	11,844
Facilities - utilities and office equipment	-	-	16,119	16,119
Cleaning	-	-	2,556	2,556
Other office costs	-	-	6,465	6,465
Advertising and marketing	-	-	7,011	7,011
Legal and professional	-	-	4,920	4,920
Depreciation	-	58,451	-	58,451
Sub-total	9,195	330,306	70,731	410,232
Allocation of support and governance costs	1,916	68,815	(70,731)	-
Total expenditure	11,111	399,121	-	410,232

Total governance costs were £4,920 (2019: £4,770).

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

8. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Cost of events	2,002	-	-	2,002
Staff costs (note 10)	6,413	233,970	14,320	254,703
Other staff costs	-	1,175	-	1,175
Displays and exhibits	-	4,628	-	4,628
Materials, maintenance and repairs	-	4,081	3,013	7,094
Subscriptions	-	1,846	-	1,846
Software and website costs	-	2,138	-	2,138
Facilities - building	-	-	11,732	11,732
Facilities - utilities and office equipment	-	-	15,968	15,968
Cleaning	-	-	7,346	7,346
Other office costs	-	-	3,782	3,782
Advertising and marketing	-	-	20,341	20,341
Legal and professional	-	-	4,770	4,770
Depreciation	-	56,817	-	56,817
Sub-total	8,415	304,655	81,272	394,342
Allocation of support and governance costs	2,184	79,088	(81,272)	-
Total expenditure	10,599	383,743	-	394,342

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

9. Net movement in funds

This is stated after charging:

	2020	2019
	£	£
Depreciation	58,451	56,817
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	4,920	4,770

10. Staff costs and numbers

Staff costs were as follows:

	2020	2019
	£	£
Staff salaries recharged by The REME Charity	246,233	233,970
Donated staff costs	21,465	14,320
Freelance staff	7,718	6,413
	275,416	254,703

No employee earned more than £60,000 during the year.

The key management personnel of the charity comprise the Trustees, the Corps Secretary and Museum Director.

The total employee remuneration of the key management personnel paid by the charity and recognised as a gift in kind were £41,604 and £2,732, respectively (2019: £41,254 and £2,609).

	2020	2019
	No.	No.
Average head count	13.00	14.00

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

12. Tangible fixed assets

	Total £
Furniture and equipment	
Cost	
At 1 January 2020	811,810
Additions in year	<u>24,718</u>
At 31 December 2020	<u>836,528</u>
Depreciation	
At 1 January 2020	586,840
Charge for the year	<u>58,451</u>
At 31 December 2020	<u>645,291</u>
Net book value	
At 31 December 2020	<u><u>191,237</u></u>
At 31 December 2019	<u><u>224,970</u></u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

13. Heritage assets

	Documentary Archive £	Medals £	Models £	Pictorial Archive £	Vehicles £	Weapons £	Other £	Total £
Brought forward at 1 January 2020	59,197	157,662	211,415	190,680	1,526,700	452,790	151,809	2,750,253
Acquisitions	244	1,608	100	-	-	10	664	2,626
Revaluations	-	-	-	-	-	-	(166)	(166)
Carried forward at 31 December 2020	<u>59,441</u>	<u>159,270</u>	<u>211,515</u>	<u>190,680</u>	<u>1,526,700</u>	<u>452,800</u>	<u>152,307</u>	<u>2,752,713</u>

All heritage assets are deemed to be measured at valuation. The majority of heritage assets are donated items which are recognised on receipt at valuation. There is insufficient data available to disclose those assets measured at cost however the amount held at cost is a minor proportion of the total heritage assets.

Five year financial summary of heritage asset transactions:

	2020 £	2019 £	2018 £	2017 £	2016 £
Additions					
Purchases	340	-	500	-	-
Donations	<u>2,286</u>	<u>2,231</u>	<u>2,627</u>	<u>1,813</u>	<u>24,387</u>
Total additions	<u>2,626</u>	<u>2,231</u>	<u>3,127</u>	<u>1,813</u>	<u>24,387</u>
Disposals					
Carrying value	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,415</u>	<u>80,000</u>
Sales proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revaluation	<u>(166)</u>	<u>716,185</u>	<u>-</u>	<u>4,525</u>	<u>-</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

13. Heritage assets (continued)

The REME Museum of Technology was established in 1958 to house and preserve the heritage of the Corps of Royal Electrical and Mechanical Engineers. The Museum aims to promote a broader understanding of the functions of the Corps, its interaction with society and its role in providing equipment engineering support to the Army. It also provides an information resource for members of the Corps, researchers, educationalists and general public.

The collection which has been built up over many years reflects the wide range of equipment for which the Corps is responsible including tanks, weapons, helicopters and electronic equipment. The Museum also houses and maintains a comprehensive collection of medals, uniforms, documents and pictorial records covering the many activities of the Corps since its formation in October 1942.

The Museum follows a strict acquisition policy and only accepts items which either relate to the heritage of the Corps or clearly illustrate the changes in engineering and repair techniques associated with equipment responsibilities. Most of the items held are either donated to the Museum or gifted by the Ministry of Defence. Items are recorded at cost when an acquisition has been made by purchase.

The valuation of such a diverse and varied collection and the lack in many cases of comparable market values has meant an equally diverse approach in obtaining valuations. It has been necessary to use many sources of valuation expertise. These have included professional valuations as in the case of the small arms collection, guidance from the National Army Museum and recourse to the many web sites, trade magazines, auction houses and professional catalogues covering different aspects of the collection.

During 2013, the museum director revisited the valuations of the collections with the assistance of specialist publications and experts in the various items. During 2019 the vehicles collection was revalued using the same methods.

A full inventory is maintained of all items accessioned into the collection including valuations on the Museum's collection management database. Information provided includes the provenance and acquisition source of each item.

14. Debtors

	2020	2019
	£	£
Trade debtors	1,400	3,827
Prepayments	-	2,587
Accrued income	52,514	51,272
Due from REME Charity	<u>176,947</u>	<u>26,205</u>
	<u><u>230,861</u></u>	<u><u>83,891</u></u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

15. Creditors : amounts due within 1 year

	2020 £	2019 £
Accruals	<u>8,015</u>	<u>9,791</u>

16. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	174,617	2,769,333	2,943,950
Current assets	22,281	310,344	63,153	395,778
Current liabilities	<u>-</u>	<u>-</u>	<u>(8,015)</u>	<u>(8,015)</u>
Net assets at 31 December 2020	<u>22,281</u>	<u>484,961</u>	<u>2,824,471</u>	<u>3,331,713</u>

Prior year comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	196,920	2,778,303	2,975,223
Current assets	3,781	269,990	67,556	341,327
Current liabilities	<u>-</u>	<u>-</u>	<u>(9,791)</u>	<u>(9,791)</u>
Net assets at 31 December 2019	<u>3,781</u>	<u>466,910</u>	<u>2,836,068</u>	<u>3,306,759</u>

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

17. Movements in funds

	At 1 January 2020 £	Income £	Expenditure £	Gains on revaluation of assets £	Transfers between funds £	At 31 December 2020 £
Restricted funds						
British Museum Project	3,781	-	-	-	-	3,781
Museum Play Park Fund	-	20,000	(1,500)	-	-	18,500
Total restricted funds	3,781	20,000	(1,500)	-	-	22,281
Unrestricted funds						
<i>Designated funds:</i>						
Museum Development	466,910	104,301	(86,250)	-	-	484,961
<i>Total designated funds</i>	<i>466,910</i>	<i>104,301</i>	<i>(86,250)</i>	<i>-</i>	<i>-</i>	484,961
General funds	2,836,068	311,051	(322,482)	(166)	-	2,824,471
Total unrestricted funds	3,302,978	415,352	(408,732)	(166)	-	3,309,432
Total funds	3,306,759	435,352	(410,232)	(166)	-	3,331,713

Purposes of restricted funds

British Museum Project This fund represents grant funding received from Money & Medals Network to fund training for the Museum Assistant Curator.

Museum Play Park Fund This relates to a grant from The Armed Forces Covenant Fund Trust that supports community projects. The REME Museum was granted £20,000 for the installation of a children's play park in the grounds of the Museum to benefit the REME family and wider community. The work will be completed in 2021.

Purposes of designated funds

Museum Development The museum development fund represents income and expenditure the trustees have set aside for the development of the museum over and above the day to day running.

The Corps of Royal Electrical and Mechanical Engineers Museum

Notes to the financial statements

For the year ended 31 December 2020

17. Movements in funds (continued)

Prior year comparative	At 1 January 2019 £	Income £	Expenditure £	Gains on revaluation of assets £	Transfers between funds £	At 31 December 2019 £
Restricted funds						
British Museum Project	-	4,000	(219)	-	-	3,781
Restricted funds < £1,000	1,328	-	-	-	(1,328)	-
Total restricted funds	1,328	4,000	(219)	-	(1,328)	3,781
Unrestricted funds						
<i>Designated funds:</i>						
Museum development	444,710	98,166	(75,966)	-	-	466,910
<i>Total designated funds</i>	<i>444,710</i>	<i>98,166</i>	<i>(75,966)</i>	<i>-</i>	<i>-</i>	<i>466,910</i>
General funds	2,135,842	300,870	(318,157)	716,185	1,328	2,836,068
Total unrestricted funds	2,580,552	399,036	(394,123)	716,185	1,328	3,302,978
Total funds	2,581,880	403,036	(394,342)	716,185	-	3,306,759

18. Related party transactions

The charity's parent entity is The REME Charity (company number 10036700, charity number 1165868), incorporated in the UK. The consolidated accounts are available on the Companies House website. The registered address is the same as that of The REME Museum. The REME Charity is the controlling party and is the sole corporate trustee.

During the year the charity received donations totalling £47,160 from The REME Charity (2019: £30,250). The REME Charity operates payroll and manages transactions through their bank account for the charity. As described in note 6 to the accounts, The REME Charity also holds investments for the charity. The market value of the investments at 31 December 2020 was £318,406 (2019: £149,717). The original transfer of cash for investment is represented in the intercompany balance. At the year end £176,947 was due from The REME Charity (2019: £26,205).

During the year, approximately £5,400 (2019: £12,000) of "free charges" was donated to the REME family in research fees, entrance fees and conference room bookings.