

**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;

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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.

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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.

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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).

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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.

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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		2,570	3,310,515	3,313,085	3,331,713
Total funds carried forward		2,325	2,637,888	2,640,213	3,313,085

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

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
Total income	-	442,619	442,619
Expenditure on:			
Raising funds	-	7,992	7,992
Charitable activities	1,211	451,955	453,166
Total expenditure	1,211	459,947	461,158
Net expenditure	(1,211)	(17,328)	(18,539)
Transfers between funds	(18,500)	18,500	-
Other recognised gains			
Gains on revaluation of heritage assets	-	(89)	(89)
Net movement in funds	(19,711)	1,083	(18,628)

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 governance	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)	5,508	5,100

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	9,803	6,630
	320,875	284,818

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 No.	2021 No.
Average head count	15.00	13.00

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 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	33,000	2,370	2,626	2,231	3,127
Disposals					
Carrying value	754,008	42,510	-	-	-
Sales proceeds	-	-	-	-	-
Revaluation	-	(89)	(166)	716,185	-

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
	231,924	241,578

15. Creditors : amounts due within 1 year

	2022 £	2021 £
Accruals	8,581	10,456
Other creditors	485	-
	9,066	10,456

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	2,325	467,334	2,170,554	2,640,213

	Restricted funds £	Designated funds £	General funds £	Total funds £
Prior year comparative				
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	2,570	467,633	2,842,882	3,313,085

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	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>	467,633	104,509	(104,808)	467,334
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

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.