

**Charity number: 249882**

## **Institution of Royal Engineers**

**Trustees' report and financial statements**

**for the year ended 31 December 2019**

## **Institution of Royal Engineers**

<b>Contents</b>	<b>Page</b>
<b>Trustees' report</b>	<b>1 - 7</b>
<b>Reference and administrative details of the charity, its trustees and advisers</b>	<b>8 - 9</b>
<b>Independent auditor's report</b>	<b>10 - 11</b>
<b>Statement of financial activities</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Statement of cash flows</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 26</b>

## **Institution of Royal Engineers**

### **Trustees' Report**

**For the year ended 31 December 2019**

1. The Trustees present the annual report and the audited financial statements of the Charity for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out at Note 1 to the accounts and comply with the Charity's Charter, the Charities Act 2011 and the Charities SORP FRS 102. Trustees consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available (including levels of reserves held); thus, the going concern basis of accounting is deemed appropriate and there are no material uncertainties.

### **OBJECTIVES AND ACTIVITIES**

2. The Objects of the Institution of Royal Engineers, as set out in its Royal Charter and Bye-Laws (Revised 2009) and are to promote and advance the science of military engineering and to promote military efficiency, particularly the military efficiency of the Corps of Royal Engineers. In furtherance of these Objects the Institution has continued to:

- a. Publish a Journal and Supplement to the Journal to promote education and to disseminate information and advice;
- b. Maintain and develop a Museum, Library and Archive;
- c. Own the Museum, Library and Archive and all the exhibits, artefacts, medals and book accessions for the benefit of the Museum, Library and Archive;
- d. Arrange Joint Professional Meetings with other Institutions and professional bodies;
- e. Administer trust funds in connection with awards for academic and military excellence to officers and soldiers;
- f. Maintain memorials owned by the Institution;
- g. Raise funds by way of subscriptions, donations and otherwise;
- h. Maintain Napier House, the property of the Institution;
- i. Maintain and develop professional registration with Engineering UK and the Engineering Council at Engineering Technician, Incorporated Engineer and Chartered Engineer levels;
- j. Develop where possible joint working practices with the Royal Engineers Vocational Education Training Trust (REVETT), Charity Number 1068709), other Institutions and the Royal School of Military Engineering.

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

3. The Trustees confirm that they have had due regard to the guidance provided by the Charity Commission on public benefit when reviewing the Institution's aims and objectives, and in planning future activities, and consider that they have met the requirements in full measure. In particular:

- a. The Royal Engineers Museum Library and Archive Collection, which is owned by the Institution, is open to the general public. In addition, the Museum is open to parties of school children, providing a clear public benefit.
- b. The promotion of the military efficiency of the Royal Engineers is a matter of national importance and public benefit. As a Licensed Member of the Engineering Council, the Institution takes part in the self-regulation of the Engineering Profession, as authorised by the Privy Council, and so contributes to that wider public benefit.
- c. The education of Members of the Royal Engineers is also of public benefit, since the number of beneficiaries from the Regular Army, Reserve Army, and retired Members, represents an amply sufficient proportion of the populace.

## Institution of Royal Engineers

### Trustees' Report (continued)

For the year ended 31 December 2019

#### ACHIEVEMENTS AND PERFORMANCE

4. Overall membership has increased by 543 this year. Whilst Royal Engineer Reserve Army membership has remained around the 14-15% mark, retired membership has slightly reduced. However, Royal Engineer Army Reserve and retired recruitment are forecast to achieve recruitment objectives for 2020. Fellowship numbers have risen to 97.

5. The Trustees approved an initiative to form an addendum to the Institution of Royal Engineers – Strategy 2030 and Delivery Framework. An architecture to bound Royal Engineer Regular Army, Royal Engineer Reserve Army, industry, academia and civilian interlocutors was agreed by Council, comprising:

- a. **Professional Registration.** To maintain and strengthen the Institution's relationship with the Engineering Council and other professional engineering institutions while broadening and stimulating professional registration and continuous personal development activity.
- b. **Professional Effectiveness.** To stimulate and encourage professional debate and study of military engineering developing and maintaining effective relationships with academia, industry and other stakeholders.
- c. **Knowledge Centre.** To create an accessible Knowledge Centre utilising historic and current technical information to provide ready access to an extensive archive of historical and contemporary military engineering knowledge.
- d. **Professional Networks.** Enable individual Members to build and maintain a strong personal network across serving, retired and civilian communities of engineering minded individuals.

This simple *value proposition* underpins a revised strategy action plan and enables wider communications with Members. The Institution has, therefore, continued to offer a range of benefits to its Members, to the Corps of Royal Engineers and to the wider military engineering community.

6. The Royal Engineers Museum Charity – a separately Registered Charity (Charity Number 295173) sharing the same Trustee Board and Governance documents as the Institution – has remained supported by the Institution and received annual grants from the Institution exceeding £80K.

7. The Institution has continued to operate its Licence with the Engineering Council to assess candidates for Engineer Technicians, Incorporated Engineers and Chartered Engineers. The Institution is preparing to renew its Licence with the Engineering Council in 2020, which will run for another 5-year tenure. The Institution continues to be the only military organisation within the Engineering Council with the necessary licences to assess all grades for Professional Engineering Registration. This both enhances the professionalism of the Royal Engineers and supports the self-regulation of the Engineering Profession through the Engineering Council, providing public benefit. The total of Engineering Technician registrants has now reached 977; this represents 270 new registrations in 2019, a 27% increase. The significant increase in Engineering Technician registrants has been as a result of the introduction of the Ministry of Defence's Engineering Professional Recognition Award. Although the number of Chartered Engineers (24) and Incorporated Engineers (37) registered with the Institution is small, the number continue to steadily increase year-on-year.

8. The Institution has played a full and active part in many national, Engineering Council and Ministry of Defence Committees and Forums. In addition, a number of Professional Meetings were held with other Institutions in 2019; this has provided a firm foundation for further engagements in 2020 that will include hosting the Defence Lecture to showcase Defence Engineering to a wide audience comprising industry, the profession, Members of the Professional Engineering Institutions and the wider public. Following on from the very successful Conference on Urban Warfare in 2018 the Institution has initiated planning this year in order to conduct, in conjunction with the Royal United Services Institute, another event in autumn 2020.

## **Institution of Royal Engineers**

### **Trustees' Report (continued) For the year ended 31 December 2019**

#### **FINANCIAL REVIEW**

##### **Investment Powers**

9. In June 2002 the Trustees accepted a recommendation made by the Royal Engineers Investment Committee to join the Army Common Investment Fund (ACIF), which was launched on 2 September 2002 managed by BlackRock. The Fund has been established to provide Armed Forces charities with a professional investment management and administration service. During 2019, the AFCIF completed the legal requirements to become a Charity Authorised Investment Fund (CAIF). On 6 December 2019, the CIF closed and the assets were transferred to the CAIF, on a one-for-one basis, which is being run with the same investment objective and policy.

##### **Investment Policy**

10. The independent Advisory Board set the investment policy for the ACIF prior to its launch. This was reviewed by the Royal Engineers Investment Committee in May 2002 and subsequently approved by Trustees in June 2002. In 2007 the fund changed its name to the Armed Forces Common Investment Fund (AFCIF) and in 2019 became a CAIF. The objective of the Fund (as a CAIF) is unchanged and seeks to achieve real growth in capital and income over the long term by investment mainly in equities and fixed income securities.

##### **Investment Performance**

11. Investments delivered dividends of £35,453 in 2019 (2018: £35,141). During the period 1 January to 31 December 2019, the performance of the distribution units in the Fund was +18.1% (2018: -6.6%) after fees and expenses. Since launch, in September 2002, the fund has produced a return of +289.70%, +2.9% (2018: +229.4%, -4.0%) behind its investment benchmark.

##### **Reserves Policy**

12. The Reserves Policy remains unchanged; to maintain 12 months operating costs in reserve. The Institution's current unrestricted reserves are £1,313,731 and continues to be in excess of the extant policy. At its November meeting Trustees agreed to fund a growth programme with a spend profile, drawn from reserves if required; however, expenditure will remain subject to acceptable business cases being made.

##### **Fund Designation**

13. The component funds of the Institution are:
- a. General Fund (Unrestricted Fund).
  - b. Memorial Fund (Unrestricted Designated Fund).

##### **Memorial Fund**

14. The Memorial Fund is invested as a designated fund from which a small sum is drawn each year. Direct charitable expenditure was £47,340 (2018: £21,924).

##### **Accounts**

15. The Trustees confirm that the accounts comply with the current statutory requirements and with the requirements of the Institution's Charter.

16. Under the Bye-Laws of the Institution of Royal Engineers, the Council is responsible for the preparation of the financial statements of the Institution for each financial year.

## **Institution of Royal Engineers**

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

**For the year ended 31 December 2019**

17. In preparing the financial statements the Council is required to:

- a. Select suitable accounting policies and apply these consistently;
- b. Make judgements and estimates that are reasonable and prudent;
- c. State whether applicable accounting standards and statements of recommended practice have been followed;
- d. Prepare the financial statements on the going concern basis.

18. The Treasurer is responsible for keeping a correct statement of the assets and liabilities of every one of the funds pertaining to the Institution and shall keep such records, prepare such statements of accounts as are required annually by the auditors and periodically by the Council and which enable the Trustees to meet their responsibility to prepare financial statements for each financial year, which give a true and fair view of the incoming resources and application of resources of the Charity during the year and of its state of affairs at the end of the year. The Trustees are also responsible for ensuring that the financial statements comply with the Charities Act 2011. The Treasurer shall make proper arrangements for the care of and disbursements made from the funds belonging to the Institution. The Trustees are responsible for safeguarding the Charity's assets and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

## **FINANCIAL SUMMARY**

### **General**

19. Net income before other recognised gains and losses was -£25,572 (2018: net income £45,012).

### **Balance Sheet**

20. The accumulated funds increased by £100,357 to £1,873,964 (2018: decreased by £52,422 to £1,773,607). The increase was due largely to a return to significant gains on investments against substantial losses in 2018.

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

## **PLANS FOR THE FUTURE**

### **Membership**

22. Membership plans for the future are threefold.

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

- (1) Upgrade the existing website to provide a portal that draws visitors in and immediately showcases the breadth and value that the Institution is providing, whilst maintaining the publication of Journals, the Supplement and Forecast of Events.
- (2) Continue to '*build-the-brand*' through a vibrant and active social media presence.
- (3) Maintain the existing strong links with the Institution's membership through the Member Services Committee.
- (4) Proactively publicise the Ministry of Defence's Engineering Professional Recognition Award and the funding of professional registration fees.

## **Institution of Royal Engineers**

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

**For the year ended 31 December 2019**

**b. Professional Development.**

- (1) Maintain, and build upon, the whole career development support in place.
- (2) Continue to promote engineer registration at each level and increase uptake at Engineering Technician, Incorporated Engineer and Chartered Engineer levels, across Regular Army, Reserve Army and retired Members.
- (3) Sustain Engineering Council standards through the Professional Registration Committee.

**c. Support.**

- (1) Maintain Her Majesty's Revenue and Customs recognition as a professional body.
- (2) Continue to increase membership amongst the retired and Army Reserve cohort.
- (3) Widen the base of the Fellowship offer and increase the number of Fellows, promoting Inclusivity and Diversity.

## **Education**

**23. Educational development initiatives:**

- a. Publish the Journal quarterly; broadening content.
- b. Publish History of the Corps of Royal Engineers Volume XIII.
- c. Publish *Follow the Sapper* (2<sup>nd</sup> Edition), with a new chapter to cover the Corps of Royal Engineers' role in Afghanistan, Iraq and South Sudan.
- d. Deliver the Defence Lecture, a joint Royal United Services Institute/Institution Conference and other Joint Professional Meetings in London and in the regions.
- e. Select and award Members for academic and military engineering excellence prizes.
- f. Continue to work with the RE Museum to establish an accessible Knowledge Centre providing access to other Institution's publications where possible.
- g. Strive to improve further knowledge access through the digitization programme.
- h. Maintain the support network established for the Royal Engineers Historical Society.
- i. Publicise the historic Military Engineering collection.
- j. Develop a series of electronic-lectures to create highly accessible and enduring products based upon a compendium of educational military engineering subjects.
- k. Explore the concept of developing a *Constructionarium* as an innovative and 'hands-on' construction experience for students and professionals in the built environment sector.

## **Governance**

**24. Achieve the changes to the Bye-Laws approved by Trustees.**

## **Institution of Royal Engineers**

### **Trustees' Report (continued) For the year ended 31 December 2019**

#### **INDEPENDENT AUDITORS**

25. Kreston Reeves LLP were retained as the Corps auditors.

## **Institution of Royal Engineers**

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

#### **ORGANISATION**

26. The Council delegates specific aspects of the Institution's activities to five standing committees:
- a. The Finance and Assurance Committee (FAC).
  - b. The Professional Registration Committee (PRC).
  - c. The Member Services Committee (MSC).
  - d. The RE Museum Committee.
  - e. The Royal Engineers Historical Society (REHS).

The Institution's Secretariat comprises a Chief Executive, Treasurer, two other full-time employees, four part-time employees and one consultant for approximately one day per week.

#### **TRUSTEES**

27. The Trustees who served during the year are detailed on page 9.

#### **Appointment of Trustees**

28. New Trustees are either appointed as *ex-officio* on assumption of specified appointment, or are nominated by Council or Members and elected at an Annual General Meeting (AGM), in accordance with the Charter.

#### **Council Membership**

29. **Officers.** The President and Vice Presidents are elected for a period of up to five years.
30. **Elected Members.** Elected Members of Council may serve for up to five years.
31. **Ex-Officio Members.** Ex-officio Members are Council Members (Trustees) by virtue of appointment. Such Members assume Trusteeship on appointment and relinquish (resign) the same when leaving the appointment.

#### **Trustee Induction**

32. **Training.** A Trustee Training Programme is in place. All Trustees of Royal Engineer Charities, and all Trustees are encouraged to attend training provided by one of two consultants. Provision is made for each Trustee to receive training within 6-months of appointment and attend refresher training after 3-years tenure.

#### **Indemnity**

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



## **Institution of Royal Engineers**

### **Trustees' Report (continued) For the year ended 31 December 2019**

#### **MEMBERSHIP**

34. The Institution of Royal Engineers consists of Fellows, Members, Apprentice Technician Members, and Honorary Members, and any other category the Council may wish to create. The Fellows and Members consists of officers, warrant officers and lower ranks of the Regular and Reserve Army element of the Corps of Royal Engineers, serving or retired. Membership may also be offered to those serving, or who have served, in the Engineer arm of the Land Forces of the Commonwealth, former Dominions, Colonies or Dependencies as the Council shall determine. Honorary and Honorary Associate Memberships are offered as it appears in the Bye-Laws.

#### **CONNECTED CHARITIES**

35. The Royal Engineers Museum has been registered, with the approval of the Charity Commission, as a separate charity under the provisions of the Charities Act 1960. Bye-Law 25 of the Institution's Charter was accepted for registration purposes without the need to execute a separate Charter or Constitution. The RE Museum (Charity Number 295173) remains a connected Charity and shares the same Charter and Trustees as the Institution as a whole but is reported on separately.

#### **RISK STATEMENT**

36. The Risk Register was reviewed during 2019 by the FAC. Trustees are satisfied that adequate systems are in place to mitigate all appropriate risks identified. The significant identified risks are:

- a. Loss of income due to the reducing size of the Regular Army and Reserve Army components of the Royal Engineers. The Trustees plan to mitigate this by increasing the percentage of Reserve Army Members of the Institution and continuing to increase the numbers of those retiring that maintain their membership.
- b. The Institution fails to maintain its relevance to its Members.
- c. The reputational risk of losing the Institution's Engineering Council's Licence would be very significant. Whilst this is not considered likely, the Trustees have made maintaining the Licence a high priority. The success of the Licence Review in 2017 was a significant achievement and work continues to maintain the Institution's Registration Handbook in line with changes to the Engineering Council Registration Regulations.

#### **Post balance sheet events**

At the time of signing the accounts, the Trustees are aware of the potential economic and social effects of the COVID-19 virus outbreak. The full impact of the pandemic on the UK economy is yet to be seen but the charity will continue to seek to mitigate this risk by following the UK Government's guidelines and adapting/developing its own internal strategy.

## **Institution of Royal Engineers**

### **Reference and administrative details of the Charity, its Trustees and Advisers for the year ended 31 December 2019**

#### **Trustees**

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

#### **President**

Major General N J Cavanagh CB	2018
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#### **Vice Presidents**

Major General R R Davis CB CBE	2012	Re-elected at the AGM 2017
Brigadier N G Baveystock DL*	2015	
Brigadier M T G Bazeley	2016	Completion of tenure 2019
Brigadier P J Rowell MBE	2019	Elected VP at the AGM 2019
Brigadier S P W Boyd MBE	2012	Completion of tenure 2019
Brigadier R C Brown	2019	Elected VP at the AGM 2019

#### **Members**

##### *Ex Officio*

Comd 8 Engr Bde	Brigadier E N S Millar MBE	Completion of tenure 2019
	Brigadier J E Fossey OBE	August 2019
Comd 25 (CS) Engr Gp	Colonel P B Nicholson OBE	Completion of tenure 2019
	Colonel S W Davies	July 2019
ACOS FD, Plans & Trg Pol JFIG and CRE (Geo)	Colonel D R Cockwell MBE	Completion of tenure 2019
Corps Colonel	Colonel R M Blunt	August 2019
Secretary REHS	Colonel M Quare MBE ADC*	September 2017
Corps Sergeant Major	Lieutenant Colonel S F Scullion	September 2016
	WO1 S A Webster	Completion of tenure 2019
	WO1 P Clark	June 2019

##### *Elected*

Colonel D Gray TD VR	2018
Major B Edwards	2017
WO2 P D Egan	2017
Sergeant D M Stones	2017

##### *Co-opted*

Colonel S P F Harris OBE	2012
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#### **Secretary & Chief Executive**

Colonel (Retired) N E Montagu*	2011	Resigned on completion of tenure
Mr J D Acomley*	2019	

#### **Treasurer**

Major (Retired) I Sidebottom*	2013
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NB \* indicates Members of FAC

#### **Charity Registered Number**

249882

## **Institution of Royal Engineers**

**Reference and administrative details of the Charity, its Trustees and Advisers (continued)  
for the year ended 31 December 2019**

### **Principal Office**

Regimental Headquarters Royal Engineers  
Brompton Barracks  
Chatham  
Kent ME4 4UG

### **Independent Auditor**

Kreston Reeves LLP  
Chartered Accountants  
Registered Auditors  
Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent  
ME4 4QU

### **Bankers**

Lloyds plc  
Piccadilly Branch  
PO Box 1000  
London  
BX1 1LT

### **Solicitors**

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

### **Investment Manager**

BlackRock Investment Managers Ltd  
12 Throgmorton Avenue  
London  
EC2N 2DL

Approved by the Trustees  
and signed on behalf of the Trustees



**Mr J D Acornley**  
**Chief Executive**

## **Institution of Royal Engineers**

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

We have audited the financial statements of Institution of Royal Engineers for the year ended 31 December 2019 set out on pages 15 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities in preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2019 and of the group's 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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 we do not express any form of assurance conclusion thereon.

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

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 statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Respective responsibilities of Trustees and auditor**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### **Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor  
Montague Place  
Quayside  
Chatham Maritime  
Kent  
ME4 4QU

Date:

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Institution of Royal Engineers

## Statement of financial activities for the year ended 31 December 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income and endowments from:</b>					
Donations and Legacies	2	389,621	12,400	402,021	421,939
Other Trading Activities	6	3,236	-	3,236	3,393
Investments	7	35,453	-	35,453	35,141
Charitable Activities	14/15	4,913	-	4,913	4,230
<b>Total income</b>		<b>433,223</b>	<b>12,400</b>	<b>445,623</b>	<b>464,703</b>
<b>Expenditure on:</b>					
Raising Funds	6	940	-	940	-
Charitable Activities	8	470,255	-	470,255	419,691
<b>Total expenditure</b>		<b>471,195</b>	<b>-</b>	<b>471,195</b>	<b>419,691</b>
<b>Net income before revaluations</b>		<b>(37,972)</b>	<b>12,400</b>	<b>(25,572)</b>	<b>45,012</b>
Gains and losses on revaluations of investment assets		125,929		125,929	(97,434)
<b>Net movement in funds for the year</b>		<b>87,957</b>	<b>12,400</b>	<b>100,357</b>	<b>(52,422)</b>
Total funds at 1 January 2019		1,225,774	547,833	1,773,607	1,826,029
<b>Total funds at 31 December 2019</b>		<b>1,313,731</b>	<b>560,233</b>	<b>1,873,964</b>	<b>1,773,607</b>

All activities relate to continuing operations.

The notes on pages 15 to 26 form part of these financial statements

**Institution of Royal Engineers**

**Balance sheet  
as at 31 December 2019**

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	20		590,752		560,732
Investments	21		1,005,597		879,668
			<u>1,596,349</u>		<u>1,440,400</u>
<b>Current assets</b>					
Debtors	22	30,609		23,677	
Cash at bank		264,485		336,637	
		<u>295,094</u>		<u>360,314</u>	
<b>Creditors:</b> amounts falling due within one year	23	(17,479)		(27,107)	
<b>Net current assets</b>			<u>277,615</u>		<u>333,207</u>
<b>Net Assets</b>			<u>1,873,964</u>		<u>1,773,607</u>
<b>Charity Funds</b>					
Restricted funds	25		560,233		547,833
Unrestricted funds	25		1,313,731		1,225,774
<b>Total funds</b>			<u>1,873,964</u>		<u>1,773,607</u>

The financial statements were approved by the Trustees on 11 June 2020 and signed on their behalf, by:

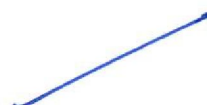


**Brigadier P J Rowell MBE - Trustee**



**Colonel M Quare MBE ADC - Corps Colonel**

The notes on pages 15 to 26 form part of these financial statements.



**Institution of Royal Engineers**

**Statement of Cash Flows**  
**For the year ended 31 December 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Net cash used in operating activities</b>	<b>29</b>	<b>(56,585)</b>	<b>14,081</b>
<b>Cash flows from investing activities</b>			
Interest and dividends		<b>35,453</b>	<b>35,141</b>
Purchase of tangible fixed assets		<b>(37,156)</b>	<b>(70,472)</b>
<b>Cash provided by (used in) investing activities</b>		<b>(1,703)</b>	<b>(35,331)</b>
<b>Cash used in financing activities</b>			
Increase (decrease) in cash and cash equivalents in the year		<b>(72,152)</b>	<b>(21,250)</b>
Cash and cash equivalents at the beginning of the year		<b>336,637</b>	<b>357,887</b>
<b>Total cash and cash equivalents at the end of the year</b>		<b>264,485</b>	<b>336,637</b>



## **Institution of Royal Engineers**

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

**For the year ended 31 December 2019**

#### **1 Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Institution of Royal Engineers meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **1.2 Preparation of the accounts on a going concern basis**

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

##### **1.3 Fund accounting**

General unrestricted funds represent unrestricted assets which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital movement

Designated funds are amounts which have been put aside out of unrestricted funds at the discretion of the Trustees.

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

##### **1.4 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

##### **1.5 Expenditure**

Liabilities are recognised as expenditure as soon as there is an obligation to committing the charity to the expenditure. All expenditure is accounted for on an accruals basis

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust and are always authorised by trustees.

The costs of raising funds consist of investment management and certain legal fees.

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 8.

Overhead and support costs that cannot be attributed directly to a charitable activity have been allocated on a percentage basis of time, space and cost against the activity.

## **Institution of Royal Engineers**

### **Notes to the financial statements For the year ended 31 December 2019**

#### **1.6 Heritage assets**

The Institution owns a large number of historic military artefacts that are displayed in the Royal Engineers Museum and Library. These include medals, drawings, manuscripts, 3-dimensional artefacts and published works that are up to 300 years old. These assets are not capitalised due to the significant costs involved in valuing them.

The Institution will only acquire heritage assets that are relevant to the Museum collection, whilst disposals are restricted to gifts to similar military museums.

#### **1.7 Tangible fixed assets and depreciation**

Assets costing more than £250 are capitalised and are valued at historic cost. Depreciation is charged on assets using a straight – line basis over their estimated life on the following basis:

Computers	-	20% straight line
General property	-	10% straight line

#### **1.8 Investments**

Investments are valued to the mid-market value as at year end. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

#### **1.9 Debtors**

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

#### **1.10 Cash at bank and in hand**

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

#### **1.11 Liabilities and provisions**

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

#### **1.12 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## **Institution of Royal Engineers**

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

**For the year ended 31 December 2019**

#### **1.13 Donated services and facilities**

Donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. This amount is matched by donated expenditure.

#### **1.14 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year. The charity contribution is restricted to 5% where there is no employee contribution and rises to 7.5% if the employee contributes a minimum of 2.5%.

#### **1.15 Tender policy**

Trustees introduced a tender policy that covers expenditure:

- a. Between £2,500 and £5,000
- b. Between £5,000 and £10,000
- c. Over £10,000

# **Institution of Royal Engineers**

## **Notes to the financial statements For the year ended 31 December 2019**

		<b>Total funds 2019</b>	<b>Total funds 2018</b>
		<b>£</b>	<b>£</b>
<b>2 Donations and Legacies</b>			
Legacies		<b>100</b>	-
Subscriptions	(Note 3)	<b>320,821</b>	297,141
Grants	(Note 4)	<b>2,000</b>	-
Registration fees		<b>16,887</b>	13,402
Donations		<b>305</b>	163
Donated assets		<b>12,400</b>	61,635
Donated services and facilities	(Note 5)	<b>49,508</b>	49,598
		<b>402,021</b>	<b>421,939</b>

Income from Donations and Legacies was £402,021 (2018 - £421,939) of which £389,621 was unrestricted (2018 - £360,304) and £12,400 was restricted (2018 - £61,635).

### **3 Subscriptions**

	<b>£</b>	<b>£</b>
Regular officers	<b>126,575</b>	121,388
Other members	<b>76,670</b>	77,628
Serving soldiers	<b>50,076</b>	51,781
Members of the Reserve	<b>12,051</b>	12,838
Tax refund	<b>30,450</b>	14,032
Fellowship	<b>4,163</b>	3,655
Eng Tech	<b>18,861</b>	13,848
I Eng	<b>1,097</b>	1,151
C Eng	<b>878</b>	820
	<b>320,821</b>	<b>297,141</b>

### **3a Support Costs**

Audit	<b>696</b>	705
Insurance	<b>327</b>	274
Administration	<b>1,919</b>	1,138
Depreciation	<b>223</b>	249
Postage	<b>879</b>	917
Donated services support costs	<b>7,782</b>	7,765
Staff costs	<b>57,563</b>	58,534
	<b>69,389</b>	<b>69,582</b>
	<b>251,432</b>	<b>227,559</b>

### **4 Grants**

	<b>£</b>	<b>£</b>
Officer Cadet prize fund	<b>2,000</b>	-
	<b>2,000</b>	-

**Institution of Royal Engineers**

**Notes to the financial statements  
For the year ended 31 December 2019**

	<b>Total funds 2019</b>	<b>Total funds 2018</b>
<b>5 Donated services and facilities</b>	<b>£</b>	<b>£</b>
Gas	1,722	1,710
Electricity	2,107	2,005
Water and sewage	812	812
Community charge	5,465	5,411
Administrative utilities	1,403	1,394
Administrative salaries	37,999	38,266
	<b>49,508</b>	<b>49,598</b>

**6 Trading Activities**

	<b>£</b>	<b>£</b>
<b>Income</b>		
Publication sales	3,236	3,393
	<b>£</b>	<b>£</b>
<b>Expenditure</b>		
Corps History	67	-
Miscellaneous publications	873	-
	<b>940</b>	<b>-</b>

All income and expenditure on trading activities was unrestricted in 2019 and 2018.

**7 Investment Income**

	<b>£</b>	<b>£</b>
Dividends	34,103	33,880
Dividends - Memorial Fund	1,057	1,050
CAFCash/Lloyds interest	293	211
	<b>35,453</b>	<b>35,141</b>

All investment income in 2019 and 2018 was unrestricted.

**Institution of Royal Engineers**

**Notes to the financial statements  
For the year ended 31 December 2019**

**8 Analysis of Expenditure by activities**

		Activities undertaken directly 2019	Support costs 2019	Total funds 2019	Total funds 2018
		£	£	£	£
Subscriptions	(Note 3a)	-	69,389	69,389	69,582
Publications	(Note 9)	35,761	70,075	105,836	114,516
Maintain Memorials	(Note 10)	38,220	9,120	47,340	8,538
Joint Professional Meeting	(Note 11)	3,680	9,275	12,955	28,115
Grant making	(Note 12)	88,892	16,997	105,889	75,969
Digitisation	(Note 13)	3,207	10,320	13,527	11,720
Napier House	(Note 14)	16,823	7,239	24,062	6,476
RE Historical Society	(Note 15)	4,849	6,213	11,062	6,344
Awards	(Note 16)	4,297	-	4,297	17,330
CPD/Registration/e-Learning	(Note 17)	13,404	62,494	75,898	81,101
		<b>209,133</b>	<b>261,122</b>	<b>470,255</b>	<b>419,691</b>

All expenditure on charitable activities in 2019 and 2018 was unrestricted.

**9 Publications**

	£	£
<b>Activities undertaken directly</b>		
Distribution costs	22,765	25,727
RE List	4,634	2,531
RE Journal	3,562	11,253
Supplement	4,800	4,199
	<b>35,761</b>	<b>43,710</b>
<b>Support costs</b>		
Audit	696	705
Administration	2,839	1,876
Insurance	327	274
Postage & Telephone	330	344
Computer support costs	3,849	4,452
Staff costs	51,023	52,757
Donated service support costs	6,367	6,362
Depreciation	4,644	4,036
	<b>70,075</b>	<b>70,806</b>
	<b>105,836</b>	<b>114,516</b>

**10 Maintain Memorials**

	£	£
<b>Activities</b>		
Maintenance	38,220	13,386
	<b>38,220</b>	<b>13,386</b>
<b>Support costs</b>		
Audit	120	122
Administration	91	147
Insurance	350	294
Staff costs	4,755	3,199
Donated service support costs	3,804	4,776
	<b>9,120</b>	<b>8,538</b>
	<b>47,340</b>	<b>21,924</b>

# Institution of Royal Engineers

## Notes to the financial statements For the year ended 31 December 2019

	Total funds 2019	Total funds 2018
	£	£
<b>11 Joint Professional Meeting</b>		
<b>Activities undertaken directly</b>		
JPMs	3,680	19,458
	<u>3,680</u>	<u>19,458</u>
<b>Support Costs</b>		
Insurance	140	118
Post and telephone	22	23
Staff costs	4,358	3,740
Donated services	4,755	4,776
	<u>9,275</u>	<u>8,657</u>
	<u>12,955</u>	<u>28,115</u>
<b>12 Grant Making</b>		
	£	£
Refund previous years grant	-	2,000
	<u>-</u>	<u>2,000</u>
<b>Activities undertaken directly</b>		
RE Museum fund	30,511	29,913
RE Library fund	52,381	27,381
RE Awards Dinner	6,000	5,000
	<u>88,892</u>	<u>62,294</u>
<b>Support costs</b>		
Insurance	280	235
Post and telephone	66	69
Donated service support costs	7,716	8,985
Staff costs	8,935	6,386
	<u>16,997</u>	<u>15,675</u>
	<u>105,889</u>	<u>77,969</u>
<b>13 Digitisation</b>		
	£	£
<b>Activities undertaken directly</b>		
IT costs	3,207	1,808
	<u>3,207</u>	<u>1,808</u>
<b>Support costs</b>		
Audit	120	122
Insurance	140	118
Post and telephone	22	23
Donated service support costs	5,283	4,873
Staff costs	4,755	4,776
	<u>10,320</u>	<u>9,912</u>
	<u>13,527</u>	<u>11,720</u>

# **Institution of Royal Engineers**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

	<b>Total funds 2019</b>	<b>Total funds 2018</b>
	<b>£</b>	<b>£</b>
<b>14 Napier House</b>		
Rental Income	<b>3,100</b>	<b>3,000</b>
	<b>3,100</b>	<b>3,000</b>
<b>Activities undertaken directly</b>		
Gas service contract	<b>394</b>	<b>361</b>
Land rent	<b>23</b>	<b>23</b>
Maintenance	<b>3,862</b>	<b>1,100</b>
Renovations	<b>12,544</b>	<b>-</b>
	<b>16,823</b>	<b>1,484</b>
<b>Support costs</b>		
Audit	<b>120</b>	<b>122</b>
Administration	<b>69</b>	<b>124</b>
Insurance	<b>350</b>	<b>294</b>
Post & Telephone	<b>22</b>	<b>23</b>
Donated service support costs	<b>2,269</b>	<b>4,209</b>
Staff costs	<b>229</b>	<b>220</b>
Donated services	<b>4,180</b>	<b>-</b>
	<b>7,239</b>	<b>4,992</b>
	<b>24,062</b>	<b>6,476</b>
<b>15 RE Historical Society</b>		
	<b>£</b>	<b>£</b>
Membership	<b>1,370</b>	<b>1,230</b>
Battlefield Study	<b>443</b>	<b>-</b>
	<b>1,813</b>	<b>1,230</b>
<b>Activities</b>		
Battlefield Tours	<b>1,719</b>	<b>103</b>
Events	<b>2,302</b>	<b>392</b>
Publications	<b>828</b>	<b>379</b>
	<b>4,849</b>	<b>874</b>
<b>Support Costs</b>		
Audit	<b>72</b>	<b>73</b>
Administration	<b>256</b>	<b>176</b>
Insurance	<b>70</b>	<b>59</b>
Postage & Telephone	<b>66</b>	<b>69</b>
Staff costs	<b>5,174</b>	<b>4,526</b>
Donated services	<b>575</b>	<b>567</b>
	<b>6,213</b>	<b>5,470</b>
	<b>11,062</b>	<b>6,344</b>
<b>16 Awards</b>		
	<b>£</b>	<b>£</b>
Medals	<b>1,397</b>	<b>2,095</b>
Prizes	<b>2,900</b>	<b>1,849</b>
	<b>4,297</b>	<b>3,944</b>



# **Institution of Royal Engineers**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

	<b>Total Funds 2019</b>	<b>Total Funds 2018</b>
	<b>£</b>	<b>£</b>
<b>17 CPD/Registration/e-Learning</b>		
<b>Activities undertaken directly</b>		
CPD Registration & Marketing	<b>12,081</b>	20,173
CPD Travel & Subsistence	<b>1,323</b>	835
	<b>13,404</b>	<b>21,008</b>
<b>Support costs</b>		
Audit	<b>576</b>	584
Administration	<b>513</b>	822
Insurance	<b>350</b>	294
Post and telephone	<b>769</b>	803
Donated service support costs	<b>7,402</b>	50,208
Staff costs	<b>52,884</b>	7,382
	<b>62,494</b>	<b>60,093</b>
	<b>75,898</b>	<b>81,101</b>

## **18 Net incoming resources**

This is stated after charging:

Depreciation of tangible fixed assets:

- owned by the charity

Auditor's remuneration

<b>7,136</b>	4,285
<b>2,400</b>	<b>2,432</b>

During the year, no Trustees received any remuneration (2018: £NIL).

During the year, no Trustees received any benefits in kind (2018: £NIL).

## **19 Staff costs**

Staff costs were as follows:

	<b>£</b>	<b>£</b>
Wages and salaries	<b>159,316</b>	154,610
Social security costs	<b>13,288</b>	12,736
Other pension costs	<b>15,430</b>	17,098
	<b>188,034</b>	<b>184,444</b>

The average monthly number of employees during the year was as follows:

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

No employee received remuneration amounting to more than £60,000 in either year.

The Secretary occupies Napier House as part of his conditions of employment.

The pension cost represents amounts payable to the Corps of Royal Engineers Pension Fund, a defined contribution scheme.

The total employment benefits including employer pension contributions of the key management personnel were £64,991 (2018: £53,277).

**Institution of Royal Engineers**

**Notes to the financial statements  
For the year ended 31 December 2019**

**20 Tangible fixed assets**

	General, IT and Office equipment £	Restricted Artefacts £	Total £
<b>Cost</b>			
At 1 January 2019	92,185	547,833	640,018
Additions	24,756	12,400	37,156
At 31 December 2019	<u>116,941</u>	<u>560,233</u>	<u>677,174</u>
<b>Depreciation</b>			
At 1 January 2019	79,286	-	79,286
Charge for the year	7,136	-	7,136
On disposals	-	-	-
At 31 December 2019	<u>86,422</u>	<u>-</u>	<u>86,422</u>
<b>Net book value</b>			
At 31 December 2019	<u>30,519</u>	<u>560,233</u>	<u>590,752</u>
At 31 December 2018	<u>12,889</u>	<u>547,833</u>	<u>560,732</u>

**21 Fixed asset investments**

	General Fund £	Memorials Fund £	Total £
<b>Market value</b>			
At 1 January 2019	853,233	26,435	879,668
Revaluations	122,145	3,784	125,929
At 31 December 2019	<u>975,378</u>	<u>30,219</u>	<u>1,005,597</u>
<b>Historical cost</b>	<u>452,161</u>	<u>13,811</u>	<u>465,972</u>

**Material investments**

All invested funds were held in the Armed Forces Common Investment Fund, managed by BlackRock Investment Managers Limited.

**22 Debtors**

	2019 £	2018 £
JPA Subscriptions	15,049	14,623
Blackrock	8,962	8,732
Other debtors	6,598	322
	<u>30,609</u>	<u>23,677</u>

**Institution of Royal Engineers**

**Notes to the financial statements  
For the year ended 31 December 2019**

**23 Creditors:**

**Amounts falling due within one year**

	2019 £	2018 £
Other creditors	15,079	24,675
Accruals and deferred income	2,400	2,432
	<u>17,479</u>	<u>27,107</u>

**24 Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial instruments measured at fair value through profit or loss	1,005,597	879,668
Financial instruments that are debt instruments measured at amortised cost	295,094	360,314
	<u>17,479</u>	<u>27,107</u>
<b>Financial liabilities</b>		
Financial instruments that are debt instruments measured at amortised cost	17,479	27,107

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdraft, trade creditors and accruals.

**25 Statement of funds**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Memorials Fund	(1,421)	1,057	(47,340)	-	3,784	(43,920)
Professional Registration	(12,500)	37,723	(13,404)			11,819
RE Historical Society	(2,842)	1,813	(11,062)	2,000	-	(10,091)
	<u>(16,763)</u>	<u>40,593</u>	<u>(71,806)</u>	<u>2,000</u>	<u>3,784</u>	<u>(42,192)</u>
<b>General funds</b>						
General fund	1,242,537	392,630	(399,389)	(2,000)	122,145	1,355,923
Total Unrestricted funds	<u>1,225,774</u>	<u>433,223</u>	<u>(471,195)</u>	<u>-</u>	<u>125,929</u>	<u>1,313,731</u>
<b>Restricted funds</b>						
Institution Artefacts	547,833	12,400	-	-	-	560,233
Total of funds	<u>1,773,607</u>	<u>445,623</u>	<u>(471,195)</u>	<u>-</u>	<u>125,929</u>	<u>1,873,964</u>

# Institution of Royal Engineers

## Notes to the financial statements For the year ended 31 December 2019

### 26 Analysis of net assets between funds

	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019	Total funds 2018
	£	£	£	£
Tangible fixed assets	30,519	560,233	590,752	560,732
Fixed asset investments	1,005,597	-	1,005,597	879,668
Current assets	295,094	-	295,094	360,314
Creditors due within one year	(17,479)	-	(17,479)	(27,107)
	<b>1,313,731</b>	<b>560,233</b>	<b>1,873,964</b>	<b>1,773,607</b>

### 27 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £15,430 (2018: £17,098).

### 28 Related party transactions

All transactions with related parties are disclosed in the Trustees Report and notes to the accounts. The Institution is controlled by the Council ('the Trustees').

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

	Total funds 2019	Total funds 2018
	£	£
Net movement in funds	100,357	(52,422)
Add back depreciation charge	7,136	4,285
Deduct interest income shown in investing activities	(35,453)	(35,141)
Deduct gains / add back losses on investments	(125,929)	97,434
Increase / (decrease) in debtors	6,932	2,098
(Decrease) / increase in creditors	(9,628)	(2,173)
<b>Net cash used in operating activities</b>	<b>(56,585)</b>	<b>14,081</b>