

Charity number: 249882

Institution of Royal Engineers

Trustees' report and financial statements

for the year ended 31 December 2022

Institution of Royal Engineers

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Institution of Royal Engineers

Trustees' Report

For the year ended 31 December 2022

The Trustees present the annual report and the audited 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 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

The OBJECT of the Institution of Royal Engineers, as set out in its Royal Charter and Bye-Laws (Revised 2009), is to promote and advance the science of Military Engineering and to promote military efficiency, particularly the military efficiency of the Corps of Royal Engineers. In furtherance of this OBJECT the Institution has continued to:

- a. Publish 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

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.

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Trustees' Report (continued) For the year ended 31 December 2022

ACHIEVEMENTS AND PERFORMANCE

Membership remained consistently around 10,000 throughout the year, with the overall number of Fellows rising (+9%). Although there has been an increase in Royal Engineers Reserve Army membership (+7%), the component is still under represented and work has been commissioned to look at ways to amplify better the membership benefits to increase uptake. A new initiative was also launched to reach out to the Engineer and Logistic Staff Corps to strengthen further the existing links.

The Institution has reviewed business continuity processes to mitigate any impact of an individual staff member being unable to perform their duties over an extended period that would present a risk due to the hierarchical pyramid structure. A system of staff pairing has been put in place to ensure that business outputs are able to be maintained and legal/legislative requirements met. Following a Member Survey, a Bi-Annual Update system was developed to ensure the membership remained informed and connected. Effective communication remains central to engagement through:

- a. The promotion of Military Engineering via activities: joint professional meetings, battlefield studies, provision of multimedia material and the hosting of debates both in the United Kingdom and abroad. Support included reminding Members of civilian Professional Registration opportunities and how to obtain such qualifications;
- b. The encouragement of individuals and Member groups to engage, contribute and collaborate with the Institution to achieve its OBJECT, with particular emphasis on publishing high quality articles in the Journal;
- c. Sponsoring a range of events, conferences, symposia and workshops run by the Corps of Royal Engineers and ensuring that the outputs from such fora were made available to as wide an audience as possible and stored for future study; and
- d. Remaining part of an inclusive organisation whose activities and decisions consider the requirements of all Members, including minority groups.

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 totaling £62K. Work that commenced last year to migrate the Museum into a Charitable Incorporated Organisation endures.

The Institution has once again operated under a License granted by the Engineering Council to assess candidates for Engineer Technicians, Incorporated Engineers and Chartered Engineers; the Institution is now half way through the current 5-year License. Overall Professional Registration numbers have increased (+4%), with all 3 categories (Technician, Incorporated and Chartered) meeting their respective annual targets. It remains important that the Institution is able to offer a nationally recognised badge of competence, reflecting the very high quality of the training being provided at the Royal School of Military Engineering Group. A key incentive for Retired Members remains the ability to retain Professional Registration qualifications after career transition. The total number of Engineering Technician has reached 1548, with the number of Chartered Engineers (34) and Incorporated Engineers (55) also up.

A comprehensive Member Services Programme was again delivered providing a blend of live and online events. In the spring the Institution sponsored a highly successful Combat Engineer & Assault Pioneer Symposium, ran a major Joint Institution/Royal United Services Institute/Allied Rapid Reaction Corps Waterways Conference and repeated the successful Fellows Networking Event first held in 2020. In addition, the annual Joint Professional Meeting with the Institution of Civil Engineers debated Engineering in Extreme Environments, the Contemporary Engineering Challenge produced many thought-provoking articles for the Royal Engineers Journal and a sponsored Sustainability Conference drew in experts from Industry and Academia. The Institution also continued to award a number of annual prizes to reward the attainment of Military Engineering excellence and, through the Royal Engineers Historical Society, again delivered a series of extremely well attended monthly webinars, an Air Support Study Day and a highly enlightening insight into the Corps of Royal Engineers at El Alamein that considered lessons for today as part of the 80th Anniversary.

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Trustees' Report (continued) For the year ended 31 December 2022

FINANCIAL REVIEW

Investment House & Policy

All Institution investments have been, since 2002, managed by BlackRock as part of the Armed Forces Charities Growth & Income Fund (formerly the Armed Forces Common Investment Fund).

The Objective of the Fund is unchanged and seeks to provide a return on investment (net of fees) over a period of 5 or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. The Fund has a flexible approach to asset allocation and seeks to achieve its investment objective through a variety of asset classes. The Fund is actively managed and this may vary without limitation depending on market conditions and other factors at the Investment Manager's (IM) discretion in accordance with the Fund's investment policy.

Investment Performance

Investments delivered dividends of £37,917 in 2022 (2021: £36,538). During the period 1 January to 31 December 2022, the performance of the distribution units in the fund was -10.6% (2021: +13.1 %) after fees and expenses. Since launch in September 2002, the fund has produced a return of +330.1%, +7.4% (2021: +380.9%, +8.5%). The fund's benchmark since inception has returned +309.3% and +7.2%.

Reserves Policy

The Reserves Policy remains unchanged; to maintain 12 months operating costs in reserve. The Institution's current unrestricted reserves are £996,510 (2021: £1,190,155) which Trustees consider is consistent with this policy.

Fund Designation

The component funds of the Institution are:

- a. General Fund (Unrestricted Fund).
- b. Memorial Fund (Unrestricted Designated Fund).
- c. Professional Registration (Unrestricted Designated Fund).
- d. Royal Engineers Historical Society (REHS) (Unrestricted Designated Fund).

Memorial Fund

The Memorial Fund is invested as a designated fund from which a small sum is drawn each year. Direct charitable expenditure was £11,594 (2021: £10,131).

Accounts

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

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

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Trustees' Report (continued) For the year ended 31 December 2022

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.

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

Net expenditure before other recognised gains and losses was £32,941 (2021: £86,338).

Balance Sheet

The accumulated funds decreased by £193,645 to £1,569,443 (2021: increased by £10,867 to £1,763,088).

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

PLANS FOR THE FUTURE

Membership

Membership plans continue to be structured on three pillars.

- a. **Communications.**
 - (1) Consolidation of the new digital processes that have enhanced engagement with the membership through a combination of an annual Members' Survey, a Bi-Annual Update and push notifications optimised to inform Members.
 - (2) Building on the enhanced functionality provided by the modern website that continues to deliver a massively improved user experience, intended to expand content so as to take the Knowledge Centre to the next level.
 - (3) Exploiting social media channels, *inter alia*, Twitter, LinkedIn, Facebook, and YouTube to notify Members of current and future Military Engineering opportunities.
 - (4) Publishing high-quality products such as the Journal, its Supplement and special periodicals to inform the membership of developments and innovation in Military Engineering.

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Trustees' Report (continued)

For the year ended 31 December 2022

b. Professional Development.

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

c. Support.

- (1) Maintaining the status afforded by Her Majesty's Revenue and Customs as a recognised and accredited professional body.
- (2) Engaging with the Veteran, Army Reserve and overseas Land Forces engineer communities to promote the many benefits that the Institution is able to deliver.
- (3) Reviewing the existing Fellows qualifying criteria further, updating the offer and refining what the Institution expects of its Fellows.

Education

Educational development initiatives include:

- a. Tri-annually publishing world-class articles in the Journal intended to widen perspectives, celebrate innovation, impart knowledge and promote debate appropriate to the advancement of Military Engineering.
- b. Sponsoring additional development work to review, consolidate and enhance the production of the History of the Corps of Royal Engineers Volume XIII – *'The Years of Interventionism and the Return to Contingency'*.
- c. Delivering the Institution's flagship annual joint professional meeting; a combined Institution of Civil Engineers/Institution of Royal Engineers endeavour.
- d. Investigating new opportunities to work collaboratively with other professional bodies and learned societies.
- e. Rewarding Members for individual academic and Military Engineering excellence through the sponsorship of appropriate prizes and awards, which celebrate and acknowledge success.
- f. Ensuring Members continue to have access to the new Pasley Research Centre and James Forbes Exhibition Gallery within the Royal Engineers Museum, which both provide outstanding Archive and Library resources to enable investigation and study.
- g. Expanding further the Royal Engineers Historical Society membership base.
- h. Publicising the historic Military Engineering Collection.
- i. Developing a series of electronic-lectures to create highly accessible and enduring products based upon a compendium of educational Military Engineering subjects.

Governance

On a requirements basis, work together with the Engineering Council Privy Council & Governance Panel and Privy Council Office to implement any changes to the Bye-Laws approved by Trustees.

Institution of Royal Engineers

Trustees' Report (continued) For the year ended 31 December 2022

INDEPENDENT AUDITORS

Kreston Reeves LLP were retained as the Corps' auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

ORGANISATION

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 Royal Engineers Museum Committee (REMC).
- e. The Royal Engineers Historical Society (REHS).

The Institution's Secretariat comprises a Chief Executive, Treasurer, three other full-time employees and three part-time employees.

TRUSTEES

The Trustees who served during the year are detailed on page 8.

Appointment of Trustees

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

Council Membership

Officers. The President and Vice Presidents are elected for a period of up to five years.

Elected Members. Elected Members of Council may serve for up to five years.

Ex-Officio Members. *Ex-Officio* Members are Council Members (Trustees) by virtue of appointment. Such Members assume Trusteeship on appointment and relinquish (resign) the same when leaving the appointment.

Trustee Induction

Training. A Trustee Training Programme is in place; this has been augmented by online training due to the pandemic. All Trustees of Royal Engineer Charities, and all Trustees are encouraged to attend training provided by one of two consultants. Provision is made for each Trustee to receive training within 6-months of appointment and attend refresher training after 3-years tenure.

Indemnity

An order from the Charity Commission 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 2022

MEMBERSHIP

The Institution of Royal Engineers consists of Fellows, Members, Apprentice Technician Members, Honorary Fellows and Honorary Members, and any other category the Council may wish to create. Fellows and Members comprise officers, warrant officers and lower ranks of the Regular and Reserve Army element of the Corps of Royal Engineers, serving or retired. Membership may also be offered to those serving, or who have served, in the Engineer arm of the Land Forces of the Commonwealth, former Dominions, Colonies or Dependencies as the Council shall determine. Similarly, membership may be offered to civilians with appropriate backgrounds who support the OBJECT of the Institution as determined by Council. Honorary Member and Honorary Fellow are offered as it appears in the Bye-Laws. Honorary Associate Membership is no longer offered; existing Honorary Associate Members continue as a legacy category.

CONNECTED CHARITIES

The Royal Engineers Museum 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 Royal Engineers 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

The Risk Register was reviewed during 2022 by the Chair FAC and Council. Trustees continue to be satisfied that adequate systems are in place to mitigate all the risks identified, the principal ones remaining:

- a. **Business plan not deliverable or able to deliver on agreed priorities.** Trustees plan to mitigate this through a combination of measures: funding an endorsed prioritised programme with regular review points, maintaining sufficient Unrestricted Reserve funds of at least one year's operating costs, retaining the Institution's membership of the Armed Forces Charities Growth & Income Fund, and continuing to receive professional, independent investment management advice.
- b. **Lose the ability to register Members within the provision of the License granted by the Engineering Council.** Although the probability of such an occurrence remains low, Trustees have continued to designate maintenance of the License a high priority. Mitigation measures include developing further resilience within the Volunteer Peer Group, conducting training on a requirements basis, and monitoring internal and external perception, adapting as required, in order to deliver continuous improvement.
- c. **Governance structures become inappropriate or fail, particularly relevant during the migration of the Royal Engineers Museum to a CIO.** The Trustees have been fully engaged in the process to ensure alignment between the Institution and Royal Engineers Museum governance arrangements, directed that the Engineering Council Privy Council & Governance Panel are consulted throughout, contributed to the development of a new Royal Engineers Museum Constitution, and ensured that the specialist legal advice has been sought. In addition, Trustees have ensured appropriate representation at Council and the five standing committees, reviewed all outputs and activities to ensure compliance with the Royal Charter and overseen the regular evaluation of requirements and standards to ensure relevance.

Institution of Royal Engineers

Reference and administrative details of the Charity, its Trustees and Advisers for the year ended 31 December 2022

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 D W Southall CBE	2020	
Brigadier R C Brown	2019	
Brigadier P J Rowell MBE	2019	Completion of tenure 2022
Brigadier G J Boxall MBE	2022	Elected at AGM 2022
Colonel J L Prichard*	2020	

Members

Ex Officio

Comd 8 Engr Bde	Brigadier D J Bickers MBE	September 2021
Comd 25 (CS) Engr Gp	Colonel S W Davies	Completion of tenure 2022
	Colonel J D Webster	May 2022
Dep Hd Plans NCGI and CRE (Geo)	Colonel R M Blunt	Completion of tenure 2022
	Colonel P M Hammett	February 2022
Corps Colonel	Colonel M Quare MBE ADC	Completion of tenure 2022
	Colonel R B Hawkins MBE ADC	November 2022
Corps Sergeant Major	WO1 M D Elliott MBE*	May 2021

Elected

Colonel D Gray VR	2018	
Major B Edwards	2017	Completion of tenure 2022
Major H M M Stamp	2020	
WO1 P D Egan	2017	Completion of tenure 2022
Staff Sergeant D M Stones	2017	Completion of tenure 2022

Co-opted

Major General R A M S Melvin CB OBE	2016
Lieutenant Colonel S F Scullion	2016

Chief Executive

Mr J D Acornley*	2019
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Treasurer

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

Charity Registered Number

249882

Institution of Royal Engineers

Reference and administrative details of the Charity, its Trustees and Advisers (continued) for the year ended 31 December 2022

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

20 April 2023

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 (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities in preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done 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 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022 and of its income and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Respective responsibilities of Trustees and auditor

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the audit engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- **Physical** inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

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

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Kreston Reeves LLP

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

Date: 6 June 2023

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 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and Legacies	3	480,616	-	480,616	436,794
Other Trading Activities	7	1,558	-	1,558	2,253
Investments	8	37,919	-	37,919	36,553
Charitable Activities	15/16	6,199	-	6,199	5,687
Total income		526,292	-	526,292	481,287
Expenditure on:					
Raising Funds	7	4,004	-	4,004	14,515
Charitable Activities	9	555,229	-	555,229	553,110
Total expenditure		559,233	-	559,233	567,625
Net expenditure before revaluations		(32,941)	-	(32,941)	(86,338)
(Losses) / Gains on revaluations of investment assets	22	(160,704)	-	(160,704)	97,205
Net movement in funds for the year		(193,645)	-	(193,645)	10,867
Total funds at 1 January 2022		1,190,155	572,933	1,763,088	1,752,221
Total funds at 31 December 2022		996,510	572,933	1,569,443	1,763,088

The Statement of financial activities includes all gains and losses in the year.

All activities relate to continuing operations.

The notes on pages 17 to 28 form part of these financial statements.

Institution of Royal Engineers

**Balance sheet
as at 31 December 2022**

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	21		589,207		594,574
Investments	22		991,504		1,152,208
			<u>1,580,711</u>		<u>1,746,782</u>
Current assets					
Debtors	23	25,880		25,251	
Cash at bank		32,866		22,270	
		<u>58,746</u>		<u>47,521</u>	
Creditors: amounts falling due within one year	24	(70,014)		(31,215)	
Net current assets			<u>(11,268)</u>		16,306
Net Assets			<u>1,569,443</u>		<u>1,763,088</u>
Charity Funds					
Restricted funds	25		572,933		572,933
Unrestricted funds	25		996,510		1,190,155
Total funds			<u>1,569,443</u>		<u>1,763,088</u>

The financial statements were approved by the Trustees on 20th April 2023 and signed on their behalf, by:



Brigadier GJ Boxall MBE, Trustee



Colonel RB Hawkins MBE ADC, Trustee

The notes on pages 17 to 28 form part of these financial statements.

Institution of Royal Engineers

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022	2021
		£	£
Net cash used in operating activities	29	<u>(27,323)</u>	<u>(149,339)</u>
Cash flows from investing activities			
Interest and dividends		37,919	36,553
Purchase of tangible fixed assets		-	(13,611)
Cash provided by (used in) investing activities		<u>37,919</u>	<u>22,942</u>
Cash used in financing activities			
Increase (decrease) in cash and cash equivalents in the year		<u>10,596</u>	<u>(127,483)</u>
Cash and cash equivalents at the beginning of the year		22,270	149,753
Total cash and cash equivalents at the end of the year		<u>32,866</u>	<u>22,270</u>

Analysis of changes in net debt

	At 1 Jan 2022 £	Cashflows £	At 31 Dec 2022 £
Cash and cash equivalents			
Cash	<u>22,270</u>	<u>10,596</u>	<u>32,866</u>

Institution of Royal Engineers

Notes to the financial statements

For the year ended 31 December 2022

1 General administrative information

Institution of Royal Engineers is an unincorporated charity in England & Wales with the registration number 249882. The address of the registered office is Headquarters Royal Engineers, Brompton Barracks, Chatham, Kent, ME4 4UG. The Charity's principal objectives continued to be: To promote and advance the science of military engineering and to promote military efficiency, particularly the military efficiency of the Corps of Royal Engineers

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), and the Charities Act 2011.

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

The financial statements are presented in UK sterling, which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Preparation of the accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Fund accounting

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

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

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

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

Institution of Royal Engineers

Notes to the financial statements

For the year ended 31 December 2022

2.4 Income

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

2.5 Expenditure

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

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

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

Cost of charitable activities includes grants made and the apportionment of support costs shown in note 9.

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

2.6 Heritage assets

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

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

2.7 Tangible fixed assets and depreciation

Assets costing more than £1,000 are capitalised and are valued at historic cost. Depreciation is charged on assets using a straight – line basis over their estimated life on the following basis:

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

2.8 Investments

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

2.9 Debtors

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

Institution of Royal Engineers

Notes to the financial statements

For the year ended 31 December 2022

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

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

2.12 Financial instruments

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

2.13 Donated services and facilities

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

2.14 Pensions

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

2.15 Tender policy

Trustees introduced a tender policy that covers expenditure:

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

2.16 Taxation

Institution of Royal Engineers is a registered charity and accordingly no provision is considered necessary for taxation.

2.17 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

Notes to the financial statements
For the year ended 31 December 2022

		Total funds 2022	Total funds 2021
		£	£
3 Donations and Legacies			
Subscriptions	(Note 4)	346,101	338,891
Grants	(Note 5)	3,500	3,120
Registration fees		73,812	27,266
Donations		308	452
Donated assets		-	12,700
Donated services and facilities	(Note 6)	56,895	54,365
		480,616	436,794

Income from Donations and Legacies was £480,616 (2021 - £436,794) of which £480,616 was unrestricted (2021 - £424,094) and £NIL was restricted (2021 - £12,700).

4 Subscriptions

	£	£
Regular officers	138,497	137,242
Other members	66,934	80,011
Serving soldiers	81,443	54,863
Members of the Reserve	632	10,508
Tax refund	16,186	17,094
Fellowship	7,900	7,050
Eng Tech	30,954	29,079
I Eng	2,075	1,637
C Eng	1,480	1,407
	346,101	338,891

Support Costs

Audit	1,044	835
Insurance	271	286
Administration	1,930	1,739
Depreciation	174	2,269
Post and telephone	1,940	1,729
Donated services support costs	8,729	8,390
Staff costs	69,254	69,799
	83,342	85,047
	262,759	253,844

5 Grants

	£	£
Officer Cadet prize fund	3,500	3,120

Institution of Royal Engineers

**Notes to the financial statements
For the year ended 31 December 2022**

	Total funds 2022	Total funds 2021
6 Donated services and facilities	£	£
Gas	1,783	1,747
Electricity	2,103	2,066
Water and sewage	849	836
Community charge	5,686	5,574
Administrative utilities	1,460	1,433
Administrative salaries	45,014	42,709
	56,895	54,365

7 Trading Activities

	£	£
Income		
Publication sales	1,558	2,253
	£	£
Expenditure		
Corps History	4,004	14,515

All income and expenditure on trading activities was unrestricted in 2022 and 2021.

8 Investment Income

	£	£
Dividends	36,778	35,440
Dividends - Memorial Fund	1,139	1,098
Bank interest	2	15
	37,919	36,553

All investment income in 2022 and 2021 was unrestricted.

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2022

9 Analysis of Expenditure by activities

		Direct costs	Support costs	Total funds	Total funds
		2022	2022	2022	2021
		£	£	£	£
Subscriptions	(Note 4)	-	83,342	83,342	85,047
Publications	(Note 10)	53,104	68,257	121,361	120,753
Maintain Memorials	(Note 11)	1,068	10,526	11,594	10,131
Professional Effectiveness	(Note 12)	17,282	10,624	27,906	12,037
Grant making	(Note 13)	91,267	19,145	110,412	146,209
Digitisation	(Note 14)	8,373	42,875	51,248	41,193
Napier House	(Note 15)	923	7,972	8,895	8,380
RE Historical Society	(Note 16)	2,435	5,939	8,374	6,552
Awards	(Note 17)	12,748	-	12,748	10,535
Professional Registration	(Note 18)	35,455	83,894	119,349	112,272
		222,655	332,574	555,229	553,110

All expenditure on charitable activities in 2022 and 2021 was unrestricted.

10 Publications

	£	£
Direct costs		
Distribution costs	27,186	26,982
Publications	25,918	24,811
	53,104	51,793
Support costs		
Audit	1,044	835
Administration	1,159	781
Insurance	271	286
Post and telephone	728	648
Computer support costs	5,244	6,721
Staff costs	49,677	49,714
Donated service support costs	7,209	6,913
Depreciation	2,925	3,062
	68,257	68,960
	121,361	120,753

11 Maintain Memorials

	£	£
Direct costs		
Activities	1,068	-
	1,068	
Support costs		
Audit	180	144
Administration	80	94
Post and telephone	49	-
Insurance	291	306
Staff costs	4,380	4,306
Donated service support costs	5,546	5,281
	10,526	10,131
	11,594	10,131

Institution of Royal Engineers

Notes to the financial statements

For the year ended 31 December 2022

12 Professional Effectiveness

	Total funds 2022	Total funds 2021
	£	£
Direct costs		
RUSI / Inst Conference	6,000	-
JPMs	5,149	1,530
Fellow Event	4,246	-
Focusses Symposium	751	-
Sponsored Symposia	680	131
Other in Year Opportunities	456	255
Refund Previous year	-	(450)
	17,282	1,466
Support Costs		
Insurance	116	123
Post and telephone	49	43
Wolfe Society Subscription	6	-
Staff costs	4,907	5,124
Donated service support costs	5,546	5,281
	10,624	10,571
	27,906	12,037

13 Grant Making

	£	£
Direct costs		
RE Museum fund	32,379	31,744
RE Library fund	29,638	29,057
Museum Transformation Project	-	35,000
Comms Hub Grant	24,250	26,250
RE Awards Dinner	5,000	6,000
	91,267	128,051
Support costs		
Insurance	232	245
Post and telephone	146	130
Staff costs	8,271	7,805
Donated service support costs	10,496	9,978
	19,145	18,158
	110,412	146,209

14 Digitisation

	£	£
Direct costs		
IT costs	8,373	3,313
Support costs		
Audit	180	144
Insurance	116	123
Post and telephone	48	43
Staff costs	36,985	33,785
Donated service support costs	5,546	5,281
Refund Previous year	-	(1,495)
	42,875	37,880
	51,248	41,193

Institution of Royal Engineers

**Notes to the financial statements
For the year ended 31 December 2022**

	Total funds 2022	Total funds 2021
	£	£
15 Napier House		
Income from charitable activities		
Rental Income	<u>3,650</u>	<u>3,600</u>
Direct costs		
Maintenance	<u>923</u>	<u>2,679</u>
Support costs		
Audit	180	144
Administration	81	50
Insurance	291	306
Post and telephone	49	43
Donated service support costs	4,952	4,698
Staff costs	150	285
Depreciation	<u>2,269</u>	<u>174</u>
	<u>7,972</u>	<u>5,701</u>
	<u>8,895</u>	<u>8,380</u>
16 RE Historical Society		
	£	£
Income from charitable activities		
Membership	<u>2,549</u>	<u>2,087</u>
Direct costs		
Publications	<u>2,435</u>	<u>361</u>
Support Costs		
Audit	108	86
Administration	23	23
Insurance	58	61
Post and telephone	146	130
Staff costs	5,010	5,307
Donated service support costs	<u>594</u>	<u>583</u>
	<u>5,939</u>	<u>6,191</u>
	<u>8,374</u>	<u>6,552</u>
17 Awards		
	£	£
Medals	3,018	1,848
Prizes	9,730	9,212
Refund Previous year	-	(525)
	<u>12,748</u>	<u>10,535</u>

Institution of Royal Engineers

**Notes to the financial statements
For the year ended 31 December 2022**

	Total Funds 2022	Total Funds 2021
	£	£
18 Professional Registration		
Direct costs		
Registration & Marketing	35,455	34,560
	35,455	34,560
Support costs		
Audit	864	691
Administration	1,101	1,095
Insurance	291	306
Post and telephone	1,698	1,513
Donated service support costs	8,278	7,962
Staff costs	71,662	66,145
	83,894	77,712
	119,349	112,272

19 Net income/expenditure

This is stated after charging:

Depreciation of tangible fixed assets:

- owned by the charity

	5,367	5,505
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Auditor's remuneration

3,600	2,880
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During the year, no Trustees received any remuneration (2021: £NIL).

During the year, no Trustees received any benefits in kind (2021: £NIL).

During the year, no Trustees received any reimbursement of expenses (2021: £NIL).

20 Staff costs

Staff costs were as follows:

	£	£
Wages and salaries	213,834	206,456
National Insurance	18,403	18,910
Pension costs	18,059	16,905
	250,296	242,271

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

	No.	No.
Publications	2	2
Management and administration of the charity	5	5
	7	7

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 £74,141 (2021: £71,270).

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

	2022	2021
	No	No
In the band £60,001 - £70,000	1	1

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2022

21 Tangible fixed assets

	General, IT and Office equipment £	Restricted Artefacts £	Total £
Cost			
At 1 January 2022	121,039	572,933	693,972
At 31 December 2022	<u>121,039</u>	<u>572,933</u>	<u>693,972</u>
Depreciation			
At 1 January 2022	(99,398)	-	(99,398)
Charge for the year	(5,367)	-	(5,367)
At 31 December 2022	<u>(104,765)</u>	<u>-</u>	<u>(104,765)</u>
Net book value			
At 31 December 2022	<u>16,274</u>	<u>572,933</u>	<u>589,207</u>
At 31 December 2021	<u>21,641</u>	<u>572,933</u>	<u>594,574</u>

22 Fixed asset investments

	General Fund £	Memorials Fund £	Total £
Market value			
At 1 January 2022	1,117,583	34,625	1,152,208
Revaluations	(155,875)	(4,829)	(160,704)
At 31 December 2022	<u>961,708</u>	<u>29,796</u>	<u>991,504</u>
Historical cost	<u>452,161</u>	<u>13,811</u>	<u>465,972</u>
Investments at market value comprise:		2022 £	2021 £
Listed investments		<u>991,504</u>	<u>1,152,208</u>

All the fixed asset investments are held in the UK.

Material investments

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

Notes to the financial statements
For the year ended 31 December 2022

23 Debtors

	2022 £	2021 £
JPA Subscriptions	16,228	16,059
BlackRock	9,652	9,192
	25,880	25,251

24 Creditors:**Amounts falling due within one year**

	2022 £	2021 £
Other creditors	66,414	28,335
Accruals and deferred income	3,600	2,880
	70,014	31,215

25 Statement of funds

Current Year	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Memorials Fund	(57,108)	1,139	(11,594)	-	(4,829)	(72,392)
Professional Registration	42,466	108,321	(35,455)	-	-	115,332
RE Historical Society	(14,706)	2,549	(8,374)	-	-	(20,531)
	(29,348)	112,009	(55,423)	-	(4,829)	22,409
General funds						
General fund	1,219,503	414,283	(503,810)	-	(155,875)	974,101
Total Unrestricted funds	1,190,155	526,292	(559,233)	-	(160,704)	996,510
Restricted funds						
Institution Artefacts	572,933	-	-	-	-	572,933
Total of funds	1,763,088	526,292	(559,233)	-	(160,704)	1,569,443
Prior Year						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Memorials Fund	(50,996)	1,098	(10,131)	-	2,921	(57,108)
Professional Registration	17,637	59,389	(34,560)	-	-	42,466
RE Historical Society	(13,241)	2,087	(6,552)	3,000	-	(14,706)
	(46,600)	62,574	(51,243)	3,000	2,921	(29,348)
General funds						
General fund	1,238,588	406,013	(516,382)	(3,000)	94,284	1,219,503
Total Unrestricted funds	1,191,988	468,587	(567,625)	-	97,205	1,190,155
Restricted funds						
Institution Artefacts	560,233	12,700	-	-	-	572,933
Total of funds	1,752,221	481,287	(567,625)	-	97,205	1,763,088

Institution of Royal Engineers

Notes to the financial statements For the year ended 31 December 2022

26 Analysis of net assets between funds Current Year

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Tangible fixed assets	16,274	572,933	589,207
Fixed asset investments	991,504	-	991,504
Current assets	58,746	-	58,746
Creditors due within one year	(70,014)	-	(70,014)
	996,510	572,933	1,569,443

Prior Year

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	21,641	572,933	594,574
Fixed asset investments	1,152,208	-	1,152,208
Current assets	47,521	-	47,521
Creditors due within one year	(31,215)	-	(31,215)
	1,190,155	572,933	1,763,088

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 £18,059 (2021: £16,905).

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 2022	Total funds 2021
	£	£
Net movement in funds	(193,645)	10,867
Add back depreciation charge	5,367	5,505
Deduct interest income shown in investing activities	(37,919)	(36,553)
Deduct gains / add back losses on investments	160,704	(97,205)
(Increase) / decrease in debtors	(629)	543
(Decrease) / increase in creditors	38,799	(32,496)
Net cash used in operating activities	(27,323)	(149,339)