



RHQRE

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Chairman and Committee Members
REA Finance Committee

RE Corps Funds 6/17

Date: 8th April 2010

MINUTES OF THE 103rd MEETING OF THE ROYAL ENGINEERS ASSOCIATION
FINANCE COMMITTEE MEETING HELD IN THE RAVELIN BUILDING, BROMPTON
BARRACKS, AT 1000 HRS ON THURSDAY 8th APRIL 2010

Present:

Chairman: Colonel (Retd) R M R Hunt

Member: Colonel S P F Harris

Lt Colonel R W Murfin TD DL

Lt Colonel (Retd) J R McLennan ~

Secretary: Lt Colonel (Retd) J M H Townsley

Introduction

1. The Chairman opened the meeting and welcomed aU, in particular the Regimental Colonel who was attending his first meeting. He thanked the Regimental Colonel for the use of his office and the Corps Treasurer for the quality of the briefing papers distributed to committee members.

ITEM 1: Minutes of the Previous Meeting

2. The minutes of the previous meeting were agreed and signed by the Chairman.

Action: Corps Treasurer

ITEM 2: Matters Arising

3. The Chairman noted that those matters arising would be covered under the tabled agenda.

ITEM 3: Branch Accounting - Overview 2009

4. The following Branches failed to submit Financial Returns to HQ REA by the required date; 31st January 2010:

- a. Crewe
- b. Eastbourne
- c. Malvern
- d. New Forest



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- e. Peckham
 - f. Reading & West Berkshire
 - g. Bradford
 - h. Whitby

5. The Corps Treasurer provided hard copies of the unnecessary extra work late Branch returns generate.

6. The following Branch Financial Summaries were submitted with errors that were not resolved:

- a. Peckham
- b. Weymouth

7. The Middle East (Gulf) Branch failed to submit a return.

8. The auditor selected and reviewed 11 Branch accounts, one of which features as an audit observation reviewed under Item 5. Short discussions followed, after which the committee agreed to minute the aforementioned for Trustee attention.

Action: Corps Treasurer

Item 4: Branch Account Spreadsheets - 2009

9. The Corps Treasurer presented detailed spreadsheets of Branch income, expenditure and assets and stressed the importance of Branches using the 2009, audit closing balance as their opening balance in their 2010 annual returns.

10. The committee agreed that HQ REA would communicate this to Branches.

Action: Controller

ITEM 5: Auditors - Key Issues Memorandum to Trustees

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11. The Corps Treasurer tabled the auditor's Key Issues Memorandum to Trustees. The committee discussed each observation, supported the auditor's recommendations and agreed they should be brought to the attention of Council.

Action: Controller

ITEM 6: Trustee Letter of Representation.

12. The Corps Treasurer explained the Trustee Letter of Representation. The Chairman raised a number of observations after which the committee agreed to present it to Council.

Action: Controller

ITEM 7: Trustee Report and Audited Accounts 2009

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13. The Corps Treasurer introduced the 2009 draft, Trustee Report and Audited Account. He reminded the committee that the Trustee Report, SOFA and Balance Sheet had been prepared in compliance with SORP 2005 and that this was the last opportunity to amend the draft before it was presented to Council for signing.

He then drew the committee's attention to:

- a. The financial review he had included on page 6 of the Trustee Report.
- b. The SOFA and in particular:
 - (1) The column titled Unrestricted Designated Fund, which referred to Branch entities.
 - (2) The level of legacy income (£93,393) received in 2009.
 - (3) Income from the Days Pay Scheme (£413,238).
 - (4) Investment income (£236,449) and the currently low interest from legacy deposits.
 - (5) The total incoming resources (£1,195,891), which included Branch income of £256,610.
 - (6) Benevolence grants and allowances, which, for the second year running, were marginally down (£7,265).
 - (7) Esprit de Corps (£431,321), which included Branch expenditure of £267,817.
 - (8) An unrealised gain in investments of £927,325.
 - (9) The accumulated funds increased by £917,912 to £8,376,659.
 - (10) The updated accounting policies he had listed on pages 14 & 15.
 - (11) The legacy donors, who were named in Note 4 of the account.

14. The Chairman thanked the Corps Treasurer and his team for their excellent support throughout the year and, subject to minor amendments to the Trustee Report, agreed to present the account to Council.

Action: Corps Treasurer
Controller

ITEM 8: Recommendation - Auditors for 2010

15. The Corps Treasurer informed the committee that Reeves + Neylan had won the prestigious national award for "Large firm of the Year" at the Accountancy Age Awards 2009 in November and that this, along with their Significantly reduced fee and client-focused approach, served to reinforce their selection as auditor to the Corps charities.

16. The Committee wished to record a vote of congratulations to Reeves + Neylan and agreed to recommend to Council that they accept the auditor appointed by the Chief Royal's committee.

Action: Controller

ITEM 9: Investments Update

17. The Corps Treasurer informed the committee that the value of REA investments @ COP on Wed 7 Apr 10 was:

- a. 'A' Fund £29,518
- b. 'B' Fund £1,142,137
- c. General Fund £6,211,365
- d. Total value £7,383,020

18. He drew comparison to the fund value at the same time last year (£5,349,519), which served to highlight significant stock market recovery and, ignoring new investments (£400,000 in FY 09), that BlackRock's strong AFCIF performance since Aug 09 added a further £941,020 or 15.57% growth. The committee took note.

Action: Corps Treasurer

ITEM 10: Update on 2010 budget - Income & Expenditure

19. The committee reviewed 2010 income and expenditure as at 31 Mar 10. Short discussions followed on:

- a. Income from the Day's Pay Scheme.
- b. Legacy income.
- c. Esprit de Corps.
- d. The projected reduction in FOO against the authorised budget deficit.

Action: Corps Treasurer

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ITEM 11: Funding of Funeral Expenses - Those Killed in Action (KIA)

20. The Regt Col introduced the subject by relating his recent experiences as a Corps, nominated' representative at RE military funerals for those KIA in 2010. He then led a discussion on a recommendation to provide those next of kin who elect to hold a military funeral for RE solidiers KIA with a grant from the REA to offset the cost of the funeral Wake, which would be attended by a considerable number of serving RE personnel.

21. A short discussion followed after which the committee agreed that the Regt Col, in consultation with the Controller, could consider individual grants up to £500.

Action: Regt Col
Controller

ITEM 12: Independent Financial Advice (IFA) - Seriously Injured Soldiers

22. The Controller presented a short paper on an EinC(A) initiative to provide IFA to seriously injured soldiers.



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23. Discussion followed after which the committee agreed to present an amended paper (attached) to Council and recommend that the REA should encourage seriously injured soldiers to seek IFA without delay.

24. The Regt Colonel agreed to consult with AG on any military initiatives linked to this much needed advice.

Action: Regt Col
Controller

ITEM 13: Any Other Business

25. No other business was raised.

ITEM 14: Date of Next Meeting

26. The Chairman asked the Regt Col to chair, in his absence, the next planned meeting in RHQ RE at 1000 hrs on Thurs 2 Sep 10.

Action: Regt Col
Corps Treasurer



Colonel SPF Harris
Deputy Chairman REAFC
September 2010

Lt Col (Retd) JM Townsley
Corps Treasurer
April 2010

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