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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**COUNCIL MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**COMPANY INFORMATION**

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<b>Council Members</b>	Major General JL Clark CBE (Chair) Brigadier GJ Boxall MBE Brigadier (Retd) FR Noble Colonel AJ Scott Colonel (Retd) JF Crompton MBE Major WL Clegg (appointed 17 October 2025) Mr AP Taylor
<b>Company secretary</b>	Lieutenant Colonel (Retd) ND Mifsud
<b>Registered number</b>	00178994
<b>Registered office</b>	Regimental Headquarters Royal Engineers Brompton Barracks Chatham Kent ME4 4UG
<b>Independent auditor</b>	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP
<b>Bankers</b>	Lloyds Bank plc Cox and Kings Branch PO Box 1000 BX1 1LT
<b>Investment Managers</b>	James Hambro & Partners LLP 45 Pall Mall London SW1Y 5JG
<b>Ex-Officio Council Members</b>	Mrs FC Freeland, Co opted REOWS Beneficiary (appointed 1 May 2025) Lieutenant Colonel SA Farmer, Corps Secretary RHQ RE (appointed 1 July 2025) Colonel AJ Ryan, Corps Colonel RE Reserves (resigned 15 September 2025) Lieutenant Colonel PT Anselme, Chief Instructor RE Warfare Wing Colonel BR Johnston, Col CM Cbt Sp Branch Captain K Worden, Adjt RE Warfare Wing Colonel D Hall, Corps Colonel Reserve (appointed 15 September 2025)
<b>Investment Adviser</b>	Mr James de Broë-Ferguson
<b>Actuary</b>	First Actuarial LLP

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**COUNCIL MEMBERS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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The Council Members present their report and the financial statements for the year ended 31 December 2025.

**Council Members' responsibilities statement**

The Council Members are responsible for preparing the Council Members' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Council Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal activity**

To establish, maintain and administer a fund for the better support and maintenance of the spouses, partners and dependents of the officers of the Corps of Royal Engineers.

**Administration**

Financial year 2025 saw the delivery of increased benefit rates announced in 2024 and the appointment of a new Actuary – First Actuarial Limited LLP, part of the Gallagher Group – who will deliver the next review in early 2027, based on the Society's situation on 31 December 2026. Membership remained stable and the challenge remains recruiting new members from successive Troop Commander Courses. The impact of the one-year nil cost membership joining incentive, introduced from 1 January 2025, appears positive, but more time is required to establish if these joiners retain their memberships beyond the initial 12 months.

The total administrative expenses of the Society represented 0.7% of the total assets of the Annuity Fund as at 31 December 2025 (2024 – 0.7%). This figure increases to 1.3% if investment management fees are included (2024 – 1.3%).

**Council Members**

The Council Members who served during the year were:

Major General JL Clark CBE (Chair)  
Major General JE Fossey OBE (resigned 12 November 2025)  
Brigadier GJ Boxall MBE

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## THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND

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### COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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Brigadier (Retd) FR Noble  
Colonel AJ Scott  
Major WL Clegg (appointed 17 October 2025)  
Colonel (Retd) JF Crompton MBE  
Mr A P Taylor

Two changes to the Council membership were made:

Major General Fossey's resignation was accepted at the Annual General Meeting held in November 2025, and Major Clegg was elected to the Council.

Three changes in an ex-officio appointment occurred as follows:

Mrs Bobbi Chilton stepped down as the co-opted on 16 October 2025 and Mrs Fiona Freeland was appointed on 1 May 2025. Lieutenant Colonel Si Farmer took over from Mr Lovell with effect 1 July 2025 and Colonel Dan Hall (Corps Colonel RE Reserves) took over from Colonel Andrew Ryan on 1 September 2025.

#### **Membership**

As at 31 December 2025 total membership stood at 756 holding a total of 3,308 units of membership (2024 – 758 members with 3,315 units). During the year 13 new members joined the Society (2024 – nine) and nine members died (2024 – seven) and six members either lapsed or resigned (2024 – two).

#### **Beneficiaries**

During the year seven beneficiaries passed away and six new beneficiaries began to receive benefits (2024 – five and three). At the end of the year there were 83 beneficiaries (all widows) (2024 – 84), holding 136 units (2024 – 130). No members passed having survived their spouse or partner and therefore no half lump sums were paid out (2024 – four).

#### **Assets**

The market value of the Annuity Fund investment portfolio increased by 8.8% to £9.1M during 2025 (2024 – 10.6% and £8.3M). Total assets (including cash in bank) sat at £9.1M as at 31 December 2025, representing an increase of 8.2% (2024 – £8.4M and 10.3%).

#### **Remuneration**

Under the Society's Articles of Association, the members of the Council are not entitled to any remuneration. The Secretary is the Society's only employee.

#### **Council Members' Liability**

The company indemnifies all Council Members against potential liabilities incurred as a member in performing their duties for the company and against potential liabilities of the company.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**COUNCIL MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Governance**

No amendments were made to the Society's Articles during 2025. Amendment 3 of the Rules was endorsed at the October Council Meeting. This refined the definition of what constitutes an enduring Long Term Relationship, ensuring it aligned more closely with the rules applied by Defence. Essentially it broadened the definition which was previously based solely on co-habitation, to include financial interdependence and shared parental responsibilities.

**Registration of the REOWS Annuity Fund as a Reporting Financial Institution (RFI)**

The International Tax Compliance (Amendment) Regulations 2025 introduced a new mandatory requirement for certain UK entities to register with HMRC under the Automatic Exchange of Information (AEOI) regime (CRS (for the UK)/FATCA (for the US)). Entities are defined as an RFI if they hold financial assets, those assets are professionally managed and more than 50% of its gross income over the last three years comes from investment activities (interest, dividends, gains). Due to strong portfolio performance, and despite higher subscription income, the Society must register this year as an RFI with HMRC. This new requirement will only affect overseas beneficiaries in receipt of gross annuity payments: they will need to provide details of their tax residency and foreign tax IDs to the Society, who will report back to HMRC. The requirement to report will be reviewed on an annual basis.

**Disclosure of information to auditor**

Each of the persons who are Council Members at the time when this Council Members' Report is approved has confirmed that:

- so far as the Council Members is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Council Members has taken all the steps that ought to have been taken as a Council Members in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15-06-2026 and signed on its behalf.

Signed by:



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**Major General JL Clark CBE  
Chair**

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**Opinion**

We have audited the financial statements of The Royal Engineers Officers' Widows Society Annuity Fund (the 'Company') for the year ended 31 December 2025, which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit 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 Companies Act 2006.

**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 Company 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 Council Members' 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 Company'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 Council Members with respect to going concern are described in the relevant sections of this report.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Council Members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council Members' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Members' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL ENGINEERS OFFICERS'  
WIDOWS SOCIETY ANNUITY FUND (CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Council Members' Responsibilities Statement set out on page 1, the Council Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the Company'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 Council Members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND (CONTINUED)**

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

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

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL ENGINEERS OFFICERS'  
WIDOWS SOCIETY ANNUITY FUND (CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

  
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Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP  
Date: 25-06-2026

**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 £	2024 £
Income		163,810	155,413
Expenditure		(176,945)	(97,765)
		<u>(13,135)</u>	<u>57,648</u>
Administrative expenses		(112,855)	(110,497)
<b>Operating deficit</b>		<b>(125,990)</b>	<b>(52,849)</b>
Income from other fixed asset investments		75,511	82,868
Gain/(loss) on sale of investments		156,299	180,873
Interest receivable and similar income		6,201	4,796
<b>Surplus/(deficit) before tax</b>		<b>112,021</b>	<b>215,688</b>
<b>Surplus for the financial year</b>		<b>112,021</b>	<b>215,688</b>

The notes on pages 14 to 20 form part of these financial statements.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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	<b>Note</b>	<b>2025 £</b>	<b>2024 £</b>
Surplus/(deficit) for the financial year		<b>112,021</b>	215,688
<b>Other comprehensive income</b>			
Unrealised surplus/(deficit) on revaluation of investments		<b>934,171</b>	708,563
Movement on deferred tax		<b>(226,055)</b>	(149,845)
<b>Other comprehensive income for the year</b>		<b>708,116</b>	558,718
<b>Total comprehensive income for the year</b>		<b>820,137</b>	774,406

The notes on pages 14 to 20 form part of these financial statements.

**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**  
**REGISTERED NUMBER: 00178994**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2025**

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Intangible assets	4	8,285	9,577
Tangible assets	5	180	376
Investments	6	9,076,893	8,342,048
		<u>9,085,358</u>	<u>8,352,001</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,452	2,261
Cash at bank and in hand	8	60,335	100,744
		<u>62,787</u>	<u>103,005</u>
Creditors: amounts falling due within one year	9	(57,997)	(28,851)
<b>Net current assets</b>		<u>4,790</u>	<u>74,154</u>
<b>Total assets less current liabilities</b>		<u>9,090,148</u>	<u>8,426,155</u>
<b>Provisions for liabilities</b>			
Deferred tax		(707,415)	(481,360)
		<u>(707,415)</u>	<u>(481,360)</u>
<b>Net assets</b>		<u><u>8,382,733</u></u>	<u><u>7,944,795</u></u>
<b>Capital and reserves</b>			
Revaluation reserve	10	2,238,881	1,912,964
Income and expenditure account	10	6,143,852	6,031,831
		<u>8,382,733</u>	<u>7,944,795</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15-06-2026

**Major General JL Clark CBE**  
**Chair**

Signed by:

*Major General J L Clark CBE*  
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The notes on pages 14 to 20 form part of these financial statements.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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	Revaluation reserve	Income and expenditure account	Total equity
	£	£	£
At 1 January 2025	1,912,964	6,031,831	7,944,795
Surplus for the year	-	112,021	112,021
Surplus on revaluation of investments	708,116	-	708,116
Transfer realised profits	(382,199)	-	(382,199)
<b>At 31 December 2025</b>	<b>2,238,881</b>	<b>6,143,852</b>	<b>8,382,733</b>

The notes on pages 14 to 20 form part of these financial statements.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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	Revaluation reserve	Income and expenditure account	Total equity
	£	£	£
At 1 January 2024	1,481,319	5,816,143	7,297,462
Surplus for the year	-	215,688	215,688
Surplus on revaluation of investments	558,718	-	558,718
Transfer realised profits	(127,073)	-	(127,073)
<b>At 31 December 2024</b>	<b>1,912,964</b>	<b>6,031,831</b>	<b>7,944,795</b>

The notes on pages 14 to 20 form part of these financial statements.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**1. General information**

Royal Engineers Officers' Widows Society Annuity Fund is a private unlimited company without share capital. It is registered in England and Wales and the registered office address is shown on the company information page.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the requirements and the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

**2.2 Going concern**

After making appropriate enquiries, the Council Members have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts and rebates.

Subscriptions are recognised upon receipt of payment from a member of the fund.

**2.4 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.5 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**2. Accounting policies (continued)****2.6 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.7 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**2. Accounting policies (continued)****2.8 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.9 Valuation of investments**

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.10 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Provisions for liabilities**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**3. Employees**

The average monthly number of employees, including directors, during the year was 1 (2024 - 1).

**4. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 January 2025	12,918
At 31 December 2025	12,918
<b>Amortisation</b>	
At 1 January 2025	3,341
Charge for the year on owned assets	1,292
At 31 December 2025	4,633
<b>Net book value</b>	
At 31 December 2025	8,285
<i>At 31 December 2024</i>	9,577

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**5. Tangible fixed assets**

	<b>Office equipment £</b>
<b>Cost or valuation</b>	
At 1 January 2025	3,350
At 31 December 2025	3,350
<b>Depreciation</b>	
At 1 January 2025	2,974
Charge for the year on owned assets	196
At 31 December 2025	3,170
<b>Net book value</b>	
At 31 December 2025	180
<i>At 31 December 2024</i>	376

**6. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 January 2025	8,342,048
Additions	2,316,754
Disposals	(2,548,683)
Cash movement	32,603
Revaluations	934,171
At 31 December 2025	9,076,893

**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**7. Debtors**

	2025 £	2024 £
Amounts owed by joint ventures and associated undertakings	1,753	1,562
Other debtors	699	699
	2,452	2,261

**8. Cash and cash equivalents**

	2025 £	2024 £
Cash at bank and in hand	60,335	100,744
	60,335	100,744

**9. Creditors: Amounts falling due within one year**

	2025 £	2024 £
Other taxation and social security	3,601	3,087
Other creditors	39,816	14,064
Accruals and deferred income	14,580	11,700
	57,997	28,851

**10. Reserves**

**Revaluation reserve**

The revaluation reserve represents the revaluation gains and losses on listed investments held.

**Income and expenditure account**

Income and expenditure account represents the accumulation of retained surpluses and deficits.

**11. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £993.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**12. Related party transactions**

**Royal Engineers Officers' Widows Society Samaritan Fund**

The trustees of the Royal Engineers Officers' Widows Society Samaritan Fund are also members of the council of the Annuity Fund.

Administration expenses of £1,753 have been charged to the Samaritan Fund in the year (2024 - £1,562). The full amount of £1,753 is included in debtors (2024 - £1,562).

**13. Controlling party**

The Council controls the Fund.

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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	Note	2025 £	2024 £
Income		163,810	155,413
Expenditure		(176,945)	(97,765)
		<u>(13,135)</u>	<u>57,648</u>
<b>Less: overheads</b>			
Administration expenses		(112,855)	(110,497)
<b>Operating loss</b>		<u>(125,990)</u>	<u>(52,849)</u>
Interest receivable		6,201	4,796
Investment income		231,810	263,741
<b>Surplus for the year</b>		<u><u>112,021</u></u>	<u><u>215,688</u></u>

**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025 £	2024 £
<b>Income</b>		
Fees receivable	163,810	155,413
	<u>163,810</u>	<u>155,413</u>
	<u><u>163,810</u></u>	<u><u>155,413</u></u>
	2025 £	2024 £
<b>Annuities and death benefits payable to widows and orphans</b>		
Annuities	99,505	66,965
Death benefits	77,440	30,800
	<u>176,945</u>	<u>97,765</u>
	<u><u>176,945</u></u>	<u><u>97,765</u></u>
	2025 £	2024 £
<b>Administration expenses</b>		
Staff salaries	27,447	24,799
Staff pension costs - defined contribution schemes	1,135	993
Hotels, travel and subsistence	5,442	5,333
Printing and stationery	340	427
Telephone and fax	324	-
Computer costs	2,348	2,216
Legal and professional	-	5,550
Auditors' remuneration	9,900	11,070
Auditors' remuneration - non-audit	2,992	2,160
Bank charges	2,840	2,452
Sundry expenses	-	2
Insurances	2,139	2,162
Depreciation - plant and machinery	196	196
Amortisation - intangible fixed assets	1,292	1,292
Lady Grover Fund	1,827	1,125
Investment managers fees	54,633	50,720
	<u>112,855</u>	<u>110,497</u>
	<u><u>112,855</u></u>	<u><u>110,497</u></u>

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**THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY ANNUITY FUND**

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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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	<b>2025</b>	<b>2024</b>
	£	£
<b>Interest receivable</b>		
Bank interest receivable	<b>6,201</b>	4,796
	<u><b>6,201</b></u>	<u>4,796</u>
	<u><u><b>6,201</b></u></u>	<u><u>4,796</u></u>
	<b>2025</b>	<b>2024</b>
	£	£
<b>Investment income</b>		
Dividends received - listed investments	<b>75,511</b>	82,868
Profit/loss on disposal of listed investments	<b>156,299</b>	180,873
	<u><b>231,810</b></u>	<u>263,741</u>
	<u><u><b>231,810</b></u></u>	<u><u>263,741</u></u>