



Annual Report  
2013-14





THE OFFICERS' ASSOCIATION  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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## Chairman's Introduction



**Dominic Fisher**  
Chairman

I write this introduction in an attempt to summarise a whole year in a few lines. Please do read further if you have time. Most changes in the presentation of accounts appear to me to obscure rather than illuminate but, with so much happening at the Officers' Association (OA), the detailed narrative in the body of the Report is informative.

This year we achieved a number of objectives and hatched some new plans, which take into account feedback from a range of sources. I will highlight IT, employment and governance but there are many other changes that are improving the work of the Charity.

The most critical objective attained was the implementation of the new IT system, which we called 'Project ARIADNE'. I realize that for most IT is a dull subject, but it has significant implications for the OA. Essentially, we are getting more information about our work in both Employment and Benevolence. There is a saying: 'what is measured is managed'. We are now able to measure more and we are sure this will lead to better management and better results.

Of the new plans hatched, the plans to develop the Employment Department are the most significant. We are in the middle of re-tendering for the Government-sponsored Service resettlement programme, the Career Transition Partnership (CTP). The Trustees are clear that this is important work in which the Charity should be involved. The Chief Executive Officer is leading negotiations on behalf of the Charity and we are confident that he will deliver a satisfactory outcome. The Department, in keeping with the times, is developing new resources on the internet and exploring devolving powers to the regions. Google 'Officers' Association webinars' or 'OA Leeds Office' to see what I mean. It is certain that some of these developments will need refining, but the Trustees are sure that in total they will provide an improved service to our clients and beneficiaries.

The subject of this paragraph is 'governance', a word that I feel is duller even than IT but, as with IT, of importance to the Charity. In recent years we have reduced the number of Trustees and the final stages of this reduction are happening as I write. The outcome of this, provided the Privy Council agrees, will be a Trustee body of 10, all of whom will be Trustees in their own right. This means that there will be no ex-officio trustees, nor will the Presidents be Trustees. It is also intended that Trustees will in future serve for a maximum of two four year terms. This means that, along with those mentioned above, I will be retiring as Chairman next September, so this is my last Introduction to an OA Annual Report and Accounts.

I would like to finish therefore with a few personal remarks. First, thank you for allowing me to act as Chairman; it has given me great pleasure. Second, the pleasure has been a direct result of working with excellent staff and selfless Trustees. Finally, last year I wrote how appropriate the then motto, 'Lifetime support for Officers and their families' was. We reduced it shortly afterwards to 'Life beyond the Services', a small change but an altogether more positive phrase for an increasingly effective Charity that is changing considerably.

# Chief Executive Officer's Report



**Lee Holloway**  
Chief Executive Officer

I am pleased to present you with this review of our operations for Financial Year 2013-14.

This year we made good progress in refining the Officers' Association offering to those who benefit from our services. Much of the focus for 2013-14 has been on the Employment Department, which has undergone significant change. The services offered to officers undergoing the transition to civilian employment have been refined and given a clear structure. The strategy of de-centralising the OA and opening regional offices was started during the year: the Leeds office was officially opened in October. This strategy will continue through 2015 with the opening of an office in Bristol in January.

I believe the OA is well positioned to benefit from an increased role in the forthcoming MOD Career Transition Partnership contract, which has been a major influence in the restructuring of our employment services.

The Benevolence Department continues to deliver a superb service to beneficiaries. The Executive Staff have been augmented by the addition of a Support and Training Manager for our 200 Honorary Representatives – our Hon Reps. In addition, all members of the Department have undergone specialist training to provide them with the skills to handle stressful calls competently. Analysis tools are being developed which will provide the Department with up to date information on the impact of the services provided to beneficiaries. This capability will lay the foundations for improvement of our services in 2015-16.

Both Departments are benefitting from the addition of an in-house Research Assistant whose role is to assist in building and developing an OA knowledge base. The results are helping Departments to gain a greater understanding of the people who are in receipt of our services, and the environment in which they are living; they will help shape Departmental strategy in the mid- to long-term.

A review of internal processes and procedures started in June. The aim is to ensure that individual Departments and the OA as a whole are able to operate within clear guidelines, and to provide Trustees and stakeholders with the assurance that the Charity is run with good governance.

## Trustees' Report

The Trustees present their Annual Report and the audited financial statements for the year ended 30 September 2014.

### Trustees, Volunteers and Staff

**Trustees.** At the end of the year the Charity had **14** Trustees (page 36).

**Volunteers.** The Trustees would like to thank the volunteers for their contribution:

- **Honorary Representatives.** A total of some **200** Hon Reps in the United Kingdom and overseas play a key role by visiting and investigating the circumstances of potential beneficiaries.
- **Employment Volunteers.** The **580** or so volunteers on the Employment Contact List give vital support to Employment Department's efforts.

**Our Staff.** The Trustees are grateful for the dedication, hard work and expertise of the **24** salaried members of the Executive Staff during another busy year.



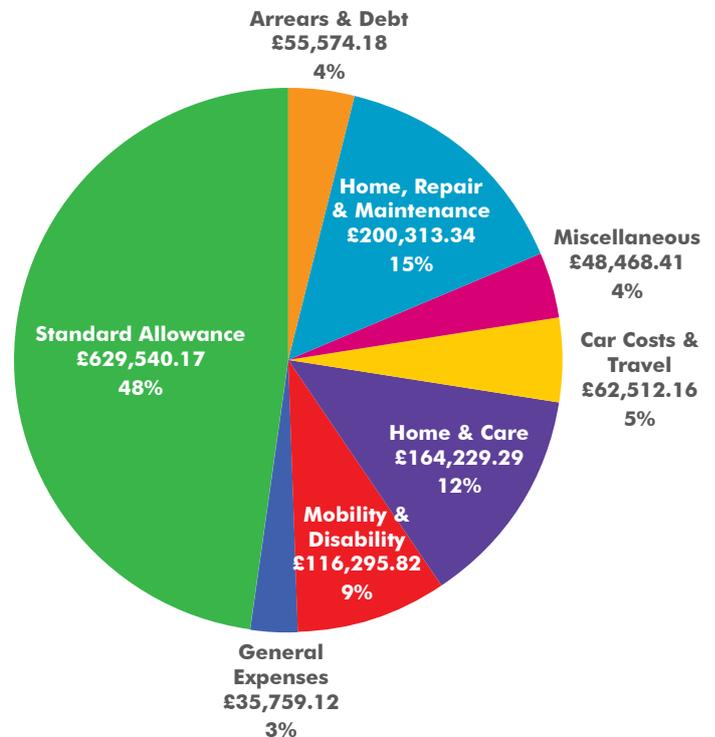
The OA Executive Team: (from left to right) Lee Holloway, Liz Stevens, Hugh Boscawen, Evelyn Strouts

## > Benevolence Report

*Mrs Evelyn Strouts, Head of Benevolence, writes:*

The Officers' Association makes grants for the benefit of individuals. Grants fall into two main areas: regular allowances, predominantly for elderly beneficiaries on low incomes, and one-off grants towards specific items such as disability equipment. In addition, the OA provides grants to bridge the gap between the fees charged for residential care and the funds that the individual can provide from personal, family and/or local authority sources.

The OA does not generally give grants to other charities although it does pay other charities for services in monitoring legislative and charity information affecting benevolence issues, and assisting the administration costs of beneficiaries overseas. These payments are included in the operating costs of the Benevolence Department (BD).



**"I write to express our gratitude for the payments this year. Your contributions, along with those of the RAF Benevolent Fund, have helped enormously, particularly towards power, water and food. They have also helped to relieve the stress to which my wife is particularly subject."**

Mr D, a former Royal Air Force Officer

**"I am writing to express my sincere thanks for the contribution that the OA is making towards the Care Home fees for my Father. We are so delighted that he can continue to live there as he is so settled. His Parkinson's [condition] is worsening but the care he receives is excellent and for that reason, we are relieved that he can stay in the Home for as long as possible. I shall be writing to the Professionals Aid Council and the Guild of Aid to thank them for their contribution which you organised. Thank you again for your immense patience and generosity."**

Mrs C, daughter of a former Army Officer

## Financial Assistance

### Regular Payments

Of the **710** individuals given financial help this year, **490** beneficiaries on low incomes received regular help in the form of a Standard Allowance. This Allowance was raised from £20 a week to a maximum of £30 a week on 1 April 2014, following research into minimum income standards.

### Assistance at Home

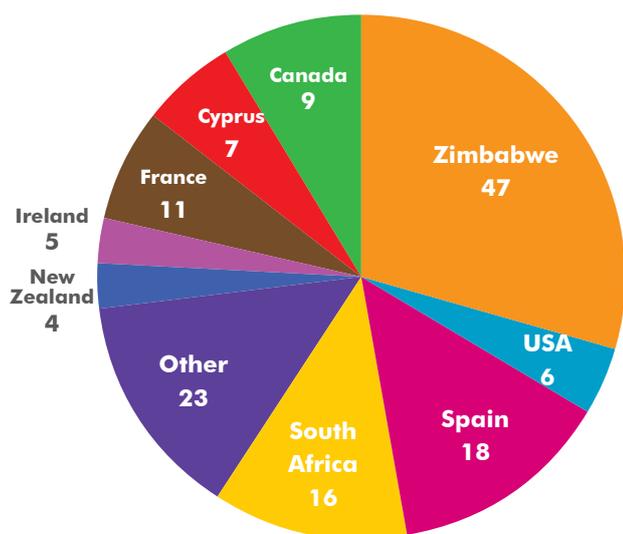
In addition, **50** beneficiaries received Care Home 'top-up' fees and **14** beneficiaries received payments to help them to be cared for in their own home. The OA is grateful to various associated charities for their generous co-operation without which the beneficiaries would not have been able to be accommodated in the most appropriate home for them.

## Financial Assistance: One-off Grants

This year, **458** beneficiaries received 'one-off' payments; some of these beneficiaries also received regular help. One-off grants accounted for 52% of the total expended.

## Overseas Cases

The OA assisted **146** beneficiaries in 25 countries this year. The highest numbers are: 47 in Zimbabwe, 18 in Spain and 16 in South Africa. The Royal Commonwealth Ex-Services League (RCEL) assists the OA by making payments in Commonwealth and former Commonwealth countries: the OA paid the RCEL an 'agency fee' of £20K for this help.



**"Stunned is, I think, the appropriate word and even that does not really do justice to how I felt when I saw how generous you and the Royal Navy Officers' Charity had been. Thank you all so very, very much. The support group from ZANE [Zimbabwe A National Emergency] charity is always on hand, should any of us need help. We are so grateful to you all."**

Mrs B, widow of a former Royal Naval Volunteer Reserve Officer

**"Thank you for the donations from the OA and the Regimental Charitable Fund. We are so grateful for the new shower. My husband can now enjoy being able to sit down and have a shower with the help of his carer who gets him up each morning. I should be grateful if you would pass on our heartfelt thanks."**

Mrs K, wife of a former Army Officer

**"I am in happy receipt of your letter advising me of my allowance, which is much appreciated. This will cover the ever-higher electricity and water rates here in Spain. I am sincerely grateful for your continued support and that of The Soldiers' Charity. Your final paragraph . . . gives me a positive outlook and peace of mind that your generosity will help me in years to come."**

Mrs J, widow of a former Army Officer

## Benevolence

### Property Improvement Loans

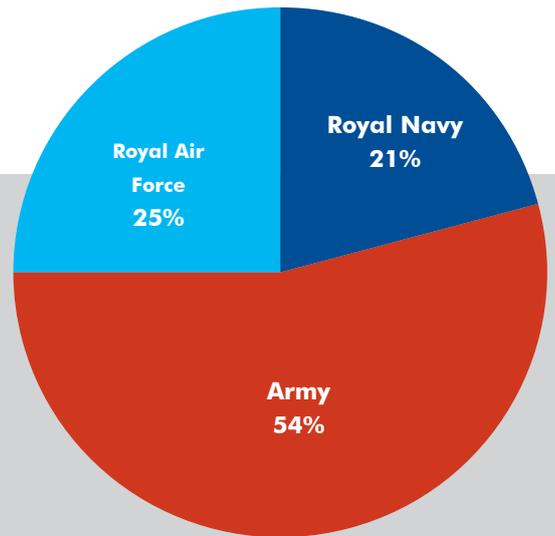
We have seven beneficiaries in receipt of property improvement loans, repayable when the property is sold or from the Estate following the death of the recipient.

### Not only Financial Assistance but also Advice

The Benevolence team has **920** beneficiaries 'on the books' who receive advice, assistance and signposting to other charities. We estimate that these forms of help have been given in around **6,000** instances (telephone calls, e-mails) this year. Advice is a hugely valuable BD output: giving advice is often more time consuming than paying out grants.

### Housing

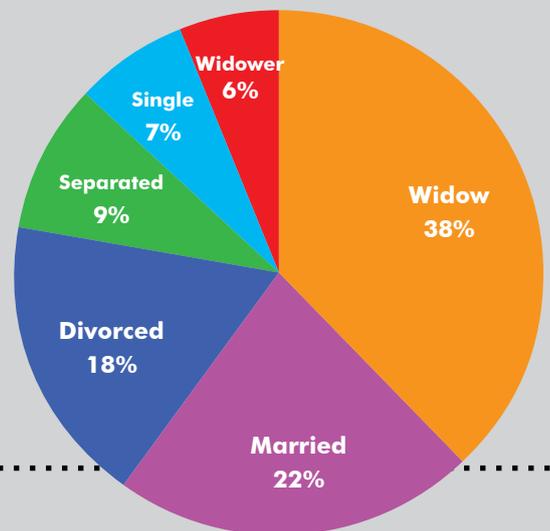
The OA continues to be responsible for selection of new tenants for the Disabled Officers' Garden Homes at Leavesden, near Watford, while the Estate is run by Haig Housing Trust. The OA provides assistance for the welfare of residents when this is needed.



## Those we help

The proportions of officers receiving OA help in 2013-14 are shown here.

Some 46% of OA beneficiaries are aged 80 or older, with women making up the greater share, being 58% of those we help. Adding together the ostensible 'singles', which total 78%, highlights the potential issues of loneliness and isolation, which other charities and the media are discussing. The OA is also starting to consider possible responses to these concerns.



## Those who help us

The Officers' Association is very grateful to:

- The members of the Benevolence Sub-Committee: Air Commodore Peter Johnson (Chairman), Mrs Jocelyn Lynch, Major Jo Killip (who stepped down as a Trustee in May 2014) and Mrs Deanne Thomas (CEO of the Sailors' Children's Society).
- Our 200 voluntary Honorary Representatives, across the country, who visit beneficiaries at home and submit the reports which form an essential part of the assistance process. (See the article on page 14 of this Report in which Geoffrey Smith, an experienced Hon Rep, describes the role.) We also thank the caseworkers from the Soldiers, Sailors, Airmen and Families Association (SSAFA), the Royal British Legion, RCEL and ZANE who visit places where the OA does not have Hon Reps.
- The 68 Service and civilian charities who provided £409K in co-operation or almonisation payments towards beneficiaries or other advice and assistance where they shared an interest in their welfare. The OA very much appreciates their generous help.

## > Employment Report

*Mrs Liz Stevens, Head of Employment and Marketing, writes:*

The OA Employment Department (ED)'s overarching aim is to enable former officers to achieve their 'outcome' of sustainable employment. The Employment Department therefore strives to develop their knowledge (OA Insight); assist them in building personal networks (OA Connect) and identify jobs from employers pre-disposed to employing former Servicemen and women (OA Appointments).

Following feedback and research, the major focus for 2013-14 has been to broaden the geographical reach of the employment services; expand the services on offer to job seekers, and rebalance our resources to provide a greater focus on generating jobs. Against this background of change, we have been committed to delivering a high-quality, professional service to job seekers. This has been reflected in activity levels and outcomes, with both the number of job seekers assisted and outcomes increasing year on year.

### Who did we support?

During the year 2013-14, the number of job seekers who registered for OA services (Executive Jobs Board; Network Contact List; Events; Webinars, and One-to-One Consultations) was **2050**.

### How did we support them, and what did the officers tell us?

## OA CONNECT

Networking is key to enabling job seekers research potential sectors and roles; access the hidden jobs market, and broaden their horizons throughout their working lives. During the year, OA Connect has offered weekly webinars, workshops, symposia and regional networking meetings. The Network Contact List connects job seekers with former officers established in civilian roles able to offer advice, guidance and links to further networks, and is also a pivotal service. Services are supported by the OA LinkedIn page (more than **2500** followers) and OA Connect group (c.**580** qualified members). We have also created a 'Two Star Plus' group and a senior officers contact and networking group.

**"My experience of the OA has been nothing but positive. The Network Contact List has been a continually helpful resource. I would strongly recommend the OA to any officer looking for the next step in their careers."**

Job Seeker RH

### Webinars

Feedback on the weekly webinar programme has been positive. Topics have ranged from industry and sector insights to advice on CVs, networking and LinkedIn. In the last six months, c.**1600** individuals have viewed webinars (live or a recording): the content is specifically tailored to the executive jobs market. An average of 81% of those 'attending' reported that they improved their knowledge 'a lot' (40%) or 'somewhat' (41%).

## OA APPOINTMENTS

The OA is part of the Joint Employment Partnership (JEP) which is contracted to deliver employment services for the Career Transition Partnership. It has three elements:

### Employer Engagement

During 2013-14, the OA engaged both existing and new employers to find executive roles suitable for former officers. 40% of these employers were new to the OA; c.12 new employers were added each month (most of these employers were sourced through referrals). Over **600** roles were added to the executive jobs board in the year.

**During the year we helped employers as diverse as the Canary Wharf Group, BNY Mellon, various Worshipful Companies, Deloitte, and the Victory Services Club.**

### Executive Jobs Board

We moved the Executive Jobs Board onto the Salesforce IT system in June 2014: the system provides new functions to job seekers. All roles are promoted through the OA Connect LinkedIn Group and via Twitter. Over **1500** users access the Jobs Board each month; each user logs in five times a month on average. More than **2500** job seekers open the weekly email, which promotes jobs, events and other services, and is sent to all those registered with the OA.

# 1500+

## unique users access the jobs board each month

### Job Seeker Engagement

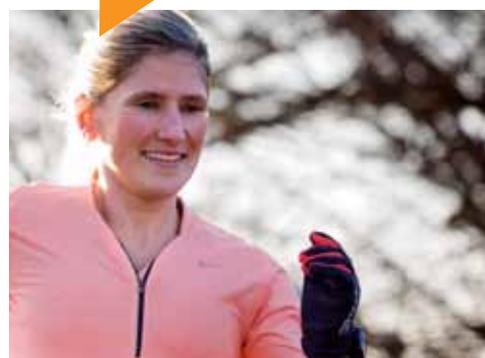
OA Career Consultants gave **1040** job seekers interviews in 2013-14. These sessions provide bespoke advice and a specific officer focus to complement knowledge provided in Career Transition Workshops.

**"We recognise that people with a Service background bring exceptional qualities and, in many instances, great transferable skills to an organisation."**

Liz Coombs, Deloitte

**"The roles on the Executive Jobs Board are interesting and diverse. It is great to know that quality employers are seeking ex-military people."**

Carla Molinaro



**"The OA Consultant I saw was friendly and professional and gave me the confidence and knowledge to apply for jobs, as well as astute comments on my CV. A great free service: many thanks!"**

Job Seeker JS

## OA INSIGHT

Providing job seekers with knowledge to enable them to optimise their approach to the civilian jobs market is a key tenet of the OA's strategy to support them in achieving their goal of sustainable employment. Over 2013-14, the OA has added to its online knowledge base with transition case studies and access to sector briefs written by industry experts. In addition it has a growing number of archived webinars which job seekers can view online.

**"The OA has helped me network myself into a fantastic opportunity"**

Job Seeker VM

### Regional Offices

As part of a firm commitment to provide employment services across a wider geographical area, the OA opened an office in Leeds in July 2014 to cover the north of England. We will open another regional office, in Bristol, early in 2015.

### Career Transition Partnership 2015

The OA, as part of the JEP, has engaged recently with potential prime contractors bidding for the Ministry of Defence's CTP 2015 contract. The OA remains committed to being part of the new CTP and, as well as Employer Engagement and Employment Support roles (as now) is keen to offer other parts of the 'career transition pathway'.

### Future Developments

The OA ED has a number of other key development plans, including:

- Expanding services to include spouses of serving and former officers.
- Implementing a pilot scheme to assess the validity of a 'coaching style' delivery for job seeker engagement (OA Coaching).
- Offering an annual salary survey to assist Service leavers by providing benchmarks for potential salaries by sector, role and geographical region.
- Engaging with more employers more closely to increase the number of sustainable roles available to job seekers more widely across the country.



**"I worked in a mixture of facilities management and engineering roles in the Army, which stood me in great stead for my first challenging year."**

Vince McNaught

## CASE STUDY

*From Facilities Manager at RAF Bruggen to Operations Manager at Canary Wharf*

Vince McNaught spent just over 30 years in the British Army before leaving as a Major in January 2012 to join Canary Wharf as Operations Manager responsible for looking after its 97 acres of estate.

Whilst serving he worked in a mixture of facilities management and engineering roles, which stood him in great stead for this wide ranging and demanding role which focuses on both day to day operations and longer term planning and projects.

He admits that he was initially daunted by the scale of the operation, but it was the constant "pursuit of excellence" in the Services and problem solving skills gained in the Army that he attributes to helping him through his first "challenging" year.

Whilst he readily admits he has worked harder than he ever did in the Services, he loves the sense of empowerment and autonomy it has given him – "I'm able to come up with the plans for long term projects and there's less red tape – subsequently things happen quicker!"

## > OA Volunteers

The Officers' Association is very grateful to its Volunteers, both the Honorary Representatives – 'Hon Reps' – who carry out work for the Benevolence Department and those on the OA Employment 'Contact List' who advise job seekers. Two of them – one from each role – describe their work.

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### The Role of an Honorary Representative



**"I have found the role to be interesting and worthwhile, but also rewarding, especially when one hears of the transforming effect which the OA's support can have on a beneficiary's life"**

Geoffrey Smith QVRM served in the Royal Air Force as a regular from 1962-2001, retiring as a Wing Commander. He continued to serve as a RAF reservist – both full-time and part-time – and finally retired from military life in 2008.

#### Geoffrey Smith writes:

I became an Honorary Representative after spending three years as a volunteer SSAFA caseworker. The principal task of the 'Hon Rep' is to provide the staff at the Officers' Association 'HQ' with a written report on the personal and financial circumstances of each applicant who seeks support from the OA. The information which applicants are asked to provide is often very personal and may be given when they are suffering distress or ill health.

In return, the applicant expects the Hon Rep to be fair in the recording of, and commenting on, the information gathered. Sensitivity, compassion and a non-judgemental attitude are some of the attributes required to fulfil the role successfully.

Thankfully, the Honorary Representative is not required to have a detailed knowledge of the complicated welfare and benefit systems which may apply in a case because the professional and caring permanent OA Executive staff deal with these aspects. However, it is important that the Hon Rep produces a comprehensive, impartial and balanced report so that the Benevolence Department can allocate the OA's finite resources to where they are most needed or will provide the most benefit.

I have found the role to be interesting and worthwhile, but also rewarding, especially when one hears of the transforming effect which the OA's support can have on a beneficiary's life.

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## The Role of an Employment 'Contact List' Volunteer

**Nigel Plowright from Willis** writes:

I joined the Officers' Association Contact List seven years ago following a visit to the OA on leaving the Army. Contact List volunteers are there to advise officers with advice specific to roles and sectors: I advise on the City of London risk management and insurance market.

Initially I sketch out the range of activity, from Lloyd's of London syndicates to big commercial brokers, insurers and reinsurers, and specialist firms who might look after bloodstock, fine art – and occasionally film stars' legs! I cover the range of work officers might do: some may wish to travel while others evaluate risk or develop specialist expertise. If possible, I steer a leaver towards a colleague – not always ex-military - in the appropriate specialist area of insurance.

The second task is to stress the need for networking, which is all-important. I can add value by suggesting non-Contact List names since some firms are known to favour former Servicemen and women. Increasingly, leavers should check an employer's MOD Corporate Covenant, indicating a readiness to engage veterans – fit and disabled – and Reservists.

Expectation management and talking through known strengths and interview techniques, such as package negotiation, is also key. Every officer has different experience, but many leadership skills – and courtesies - imbued in military life relate well to teams in the City. What does success look like? Helping to place an officer in a job where he or she may succeed in a new, if initially unfamiliar, career in risk management and insurance - where London handles a large and varied slice of global risk advice and placement business.



**“What does success look like? Helping to place an officer in a job where he or she may succeed in a new, if initially unfamiliar, career”**

Nigel Plowright served as a regular officer in the Royal Corps of Transport, later the Royal Logistic Corps from 1973-2007, retiring as a full Colonel. He joined Willis Employee Benefits in 2007 and advises about four or five officer job-seekers a year – alongside managing MOD's SLI365.com life insurance provision for Regulars, Reservists and Veterans.

## > Support and Future Plans

### Marketing

In early 2014, the OA formed a Marketing Team to raise the profile of the Charity and reach a greater proportion of the officers and dependants whom we serve. The Team, overseen by Mrs Liz Stevens as Head of Employment and Marketing and comprising James McCarthy, Marketing Manager, and Charlotte Browne, Communications Executive provides marketing support for Benevolence and Employment activities. The first task was to develop an updated brand identity for the OA: the rebranded website was launched on 1 October 2014. The team have worked to build up the Charity's following on social media; improve website content; develop a more effective PR strategy, and create marketing material to reflect the new identity. Initial steps taken to reach more officers and dependants are showing signs of success.

### Support

#### Research

Dr Mazia Yassim, an experienced researcher, has been employed on a short-term contract to support the marketing effort and help the OA identify possible adjustments to the services provided. This work should enable the Charity to identify individual needs more effectively.

#### Communications

The OA retained The PR Office for communications and public relations support until July, when the contract arrangement changed. Much of this role is now handled in-house.

#### Accommodation

Further adjustments have been made this year to the OA accommodation at Mountbarrow House. The move to become licensees of ABF-The Soldiers' Charity and to share building services with them has already delivered cost savings.

#### Project ARIADNE

During the year, the OA continued to implement Project ARIADNE, the major IT upgrade, introducing Salesforce (with Jobscience and Financial Force accounting) systems. Sho-Net continued as contractors until July 2014 when they completed their work, and the OA is most grateful to Clyde Williams and Ian Phillips of Sho-Net for their expertise and hard work for the Charity. The OA teams continue to gain experience, and Jo Killip, who stepped down as a Trustee in May 2014, has been working as a paid consultant to help the OA to capitalise on the opportunities that Financial Force offers the Charity and its Senior Management Team. In September 2014, the Executive Committee approved the passing of the oversight for Project ARIADNE to the Executive Team since the system had now largely been delivered - to well over 90% of the specified 'Day One' requirement (the criterion set was 70%) and within budget. The total gross cost of Project ARIADNE was £215K. As part of the Project, the OA website was rebased on a new and more versatile platform, while the content was progressively renewed and upgraded; it is planned that further redesign will take place this year.

## Staff Training

Professional development for the salaried OA Executive Staff is key to the service provided by the Charity. All members of staff have undergone Salesforce training. In addition, the Benevolence team undertook various courses to ensure that they are up-to-date with best practice. In the past year, training has covered Statutory Benefits and Carers' Rights; handling difficult cases over the telephone (provided by the Samaritans) and use of the Cobseo-sponsored Common Management System (CMS). Almost all of the Benevolence team completed Mental Health First Aid training, while two Benevolence Secretaries completed the Diploma in Welfare run by the Defence Medical Welfare Service (linked to the Institute of Welfare and University of Kent). Employment consultants also completed the Mental Health First Aid course and Samaritans training along with members of the Support Team, while the latter requalified in First Aid training.

## Governance

GRM Law has revised some aspects of the Royal Charter on the Charity's behalf. The adjusted provisions will allow Presidents and Vice-Presidents to step down from being Trustees, although they will retain an influential role on the Council of the Association. Nothing in the new provisions will prevent anyone holding the appointment of President or Vice-President from being separately appointed as a Trustee, though this will be independent of the honorary status. This change is under consideration by the Privy Council, and OA Council Members will be asked to vote to adopt the new provisions at the Annual General Meeting on 26 February 2015.

## Auditors

haysmacintyre continued as auditors.

## Current and Future Plans

### Overview

Implementation of 2011-12 Strategic Review recommendations continued this year, with improvements in both Benevolence and Employment services, and the formation of the Marketing Team. Collaboration with other charities, including those in Mountbarrow House (ABF-The Soldiers' Charity, Regular Forces Employment Association (RFEA), Haig Homes, Lady Grover's Fund, Cobseo - the Confederation of Service Charities, Forces in Mind Trust and X-Forces) continues to bring significant benefits and allows expertise to be shared readily.

### External Factors: Impact of the Economic Situation

Improved economic conditions helped the jobs market during the year, and more opportunities were open to Service leavers seeking employment, although the picture was not uniform across the country. Reductions in public expenditure and changes in State benefits are, however, likely to have an impact on OA Benevolence.

## Objectives for 2014-15

OA plans continue to follow Strategic Review recommendations, as well as feedback and research. Both the Benevolence and Employment Departments are looking to broaden the information and assistance they offer in order to ensure that the OA reaches a greater proportion of officers, with better coverage in the regions and on a wider range of subjects. As forecast, research and marketing assumed higher priorities in 2013-14, and will develop further in 2014-15 to support these objectives.

## Key Changes

Key change objectives for 2014-15 include:

- Extending the Officers' Association's reach by examining internal measurements of performance ('how are we doing?'); research ('what do officers and their dependants need and want?' and 'what are others offering?') and planning so that the range of services the OA offers can be further refined and developed, and assist more officers and their families.
- Working closely with Joint Employment Partnership (JEP) Charities (RFEA and OA Scotland) to secure an OA role in the MOD CTP contract starting in 2015.
- Capitalising on the IT capabilities that Project ARIADNE now offers in order to assist management and evidence-based decision making for the Charity. Consideration of what the systems might offer in the 'Day Two' phase will take place in Summer 2015. At the same time scoping work on further evolution ('Day Three') of the ARIADNE system over an 18-24 month timescale will also begin.
- Widening further the services provided by the Benevolence and Employment Departments.
- Nurturing, improving and diversifying funding.
- Continuing to adjust the Charity's structure, where necessary, in the light of the development agenda for the Benevolence and Employment Departments.

# Financial Review

## Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charity Commission's Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter (RC), the Charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the maintenance and integrity of the OA's website.

## Highlights from the Accounts

The consolidated accounts show net outgoing resources before revaluations in the year of £543K (2013: incoming resources £103K).

### Poppy Appeal

Owing to the time required to verify the income received in respect of Street Collections for the Poppy Appeal, the OA's accounts have contained both the final confirmed payment of the Poppy Appeal by the Royal British Legion in respect of one appeal year and an interim payment for the next year's Appeal. Thus, the final confirmed payment for the 2010 Appeal was received in the year to 30 September 2012. Following the agreement reached with the Royal British Legion in February 2012, the payments for each year's Appeal are accelerated and are due to be received on 31 May and 31 October of the year following the November appeal. In view of this the Trustees felt that it was correct to bring the full 2011 Appeal payment, received in December 2012 as one sum, into the accounts for the year ended 30 September 2012.

The income received in respect of the Poppy Appeal as stated in the Statement of Financial Activities (SOFA) therefore comprises the following:

#### Included in the accounts to 30 September

Poppy Appeal Year	2014 £'000	2013 £'000	2012 £'000
2010 final/interim	-	-	1,362
2011 final and interim	-	-	1,865
2012 interim	-	1,000	-
2012 final	-	670	-
2013 interim	1,000	-	-
2013 final	757	-	-
	1,757	1,670	3,227

## **Funding and Resources Expended**

Some £409K of co-operation funding, the contribution made by other charities to the grants the OA pays to individual beneficiaries, has been included in the income.

In resources expended on activities, staff costs were higher due partly to setting up a Marketing Team in line with the OA Strategic Review, and partly to some redundancy payments. Employment Department costs of £515K (£331K in 2013) reflect the setting up of 'OA Connect' and 'OA Insight', offering new services, with Benevolence Department costs lower, partly through efficiencies from the ARIADNE IT system. Office accommodation costs rose to £110K (£80K last year) due to the OA taking additional space, and some building costs. Projects included further definition of the Strategic Review implementation, opening a Leeds office to assist finding employers in the North, and initial work on the 'Star' assessment model for Benevolence. Project ARIADNE IT costs (£121K, out of the total IT cost of £136K, compared to £215K last year) reduced, reflecting progress in completing the project. The figure for insurance costs reflects the Death in Service and Group Income Protection Plans for the Staff (shown separately last year).

An additional investment of £200K was made in M&G Charifund. That, together with an unrealised valuation gain for the year of £655K, means that the total for long term investments stood at £15.6M. The cash position remains necessarily strong at £617K.

## **Fundraising Policy**

General fundraising activity does not take place due to the Howitt agreement which laid down that the OA would be entitled to 7.5% of the Annual Poppy Appeal (now defined as the Street Collections) from the Royal British Legion, provided it did not conduct its own fundraising in competition with the Appeal.

## **Reserves Policy**

The OA has considered the level of reserves which the Charity requires to sustain its operations, having considered the risks which it faces and excluding those funds represented by the Endowment Funds. The level of reserves is reviewed quarterly by the Finance, Investment and Audit Sub-Committee (FIASC) taking into account future demands on expenditure, and maintaining a suitable level of free reserves to ensure the continuity of OA charitable activities.

## **Investment Policy**

The funds of the group are invested entirely in common investment funds with the majority being in the Armed Forces Common Investment Fund (AFCIF) and the remainder with the M&G Charifund and Charibond. The monitoring of the investments is delegated to the FIASC who review performance each quarter. The OA has considered whether it should have a policy on ethical investment but has decided not to place any ethical constraints on its investment policy.

## Structure, Governance and Management

### Structure

The OA was registered as a charity (number 201321) with the Charity Commission on 17 April 1964. It is the parent company of the Officers' Association (Auxiliary) Limited whose financial statements have been consolidated in these financial statements.

### Governance

The OA is governed by Royal Charter and as such is not directly subject to the laws and codes of practice relating to the operation of companies. However, Trustees have decided to apply both the spirit of the Combined Code, and those of its principles that can be applied to a charitable body during the year ended 30 September 2014 and in preparing this Report and Financial Statements.

### Trustees

Trustees are Council Members under the RC and are recruited for their experience and expertise; the majority have been Commissioned Officers in the Services. The Executive Committee considers the appointment of Trustees, who are proposed for election at the AGM. Trustees of the OA who served during 2013-14 are listed at the end of the Report. The Executive give new Trustees a briefing and an induction pack before asking them to sign a certificate acknowledging their responsibilities and declaring interests. Almost all Trustees serve on a Sub-Committee of the Executive Committee. The OA maintains an indemnity insurance package for the Trustees.

### Management: Executive Committee

The Committee meets quarterly and is the principal OA committee which directs the policy, finance and operations of the Charity. Senior officers from stakeholder charities (the Soldiers, Sailors, Airmen and Families Association (SSAFA) and ABF-The Soldiers' Charity) also serve as OA Trustees. (Officers from the Royal British Legion also served as Trustees until 26 October 2012; the Chief Executive of the Royal Navy and Royal Marines Charity served as a Trustee until 20 February 2014, and Chief Executive of the Royal Air Force Benevolent Fund (RAFBF) served as a Trustee until 4 September 2014.) The OA does not consider that these Service Charity relationships constitute a conflict of interest. OA Senior Managers attend, report to and receive direction from the Executive Committee. The Executive Committee has three Sub-Committees:

- Finance, Investments and Audit Sub-Committee (meets quarterly).
- Benevolence Sub-Committee (meets quarterly; directs Benevolence policy and focuses on complex and costly cases; Trustees also conduct spot checks on activities).
- Employment Sub-Committee (meets periodically to provide direction and oversight).

## Relationships

### General

The OA works closely with many Service Charity partners, including those with whom it shares Mountbarrow House, as well as the Royal British Legion, SSAFA and the major single-Service and specialist Service Charities; it also works with numerous civilian charities which assist with funding. A full list of charities with whom the OA worked in 2013-14 is at the end of the Report. The OA is also playing a full part with the JEP Charities to secure an OA role in the MOD CTP 2015 contract renewal.

### Armed Forces Common Investment Fund Membership

One Trustee is a member of the Advisory Board to the AFCIF, which holds a substantial proportion of the Charity's investments. The Board is not empowered to demand change in investment policy but may question and advise; Dominic Fisher continues to be among the 'Advisory Directors – City'. These are selected for their financial expertise in investment management. It is coincidental that he is also a Trustee of the OA. Full details of AFCIF governance are available in the AFCIF Annual Report.

### Charity Relationships

The OA co-operates extensively with other charities, particularly in the field of Benevolence.

### Regular Forces Employment Association and Joint Employment Partnership

The OA has a close relationship with the RFEA. In December 2005, the OA joined RFEA and OA Scotland to form the JEP, which is a sub-contractor to Right Management, providing resettlement services to Service Leavers as part of the current CTP contract to MOD. The JEP board consists of the Chairman, Giles Peel (Trustee of the RFEA); the Managing Director, Brigadier Stephen Gledhill, and a Director, the OA CEO. The Managing Director is invited to be in attendance at the OA Executive Committee.

## Major Risks

The Executive Committee reviews the OA Risk Register annually in the late Spring, and grades risks for likelihood, impact and attitude to the risk. The most significant risks were judged this year to be, in order:

- Market position, which might suffer if the OA does not continue to provide Employment services when the MOD CTP contract is re-let for the end of 2015.
- Dependence on a single large source of funding; the OA is now halfway through the five-year Poppy Appeal funding agreement signed with the Royal British Legion in 2012.
- Reputational damage, if a high profile complaint or a damages claim was made against the OA.
- IT-related issues (judged the greatest risk last year) have been substantially reduced by Project ARIADNE.

Key risks are addressed by the annual Management Plan and mitigation by other means, including updated processes and insurance cover. Trustees recognise, however, that there can be no absolute certainty that all risks have been identified, assessed correctly and that remedial action has adequately mitigated or assured against these risks.

## Public Benefit

The Trustees have complied with section 17 of the Charities Act 2011 requiring them to have regard to the public benefit guidance published by the Charities Commission. The charities covered by this Report assist those who have held a Commission and their families for the relief of hardship, need and the effects of disability. The provisions in section 4 govern the Charity's aims, objectives, planning of future activities and the setting of grant making policy for the year.

.....

Approved by the Executive Committee and signed on its behalf by

[ORIGINAL SIGNED]

**J D M Fisher**  
Chairman

[ORIGINAL SIGNED]

**A J Spofforth BA FCA**  
Chairman, Finance, Investment and Audit Sub-Committee

**Date** 24th January 2015



# Consolidated Statement of Financial Activities

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2014 £'000	Total 2013 £'000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
<b>Voluntary income:</b>						
<b>Grants</b>						
The Poppy Appeal		1,757	-	-	1,757	1,670
ABF - The Soldiers' Charity		40	-	-	40	100
Royal Navy and Royal Marines Charity		-	-	-	-	20
Seafarers UK		1	-	-	1	51
<b>Donations, legacies and similar income</b>						
Covenants and donations		11	4	-	15	53
Legacies		37	-	-	37	87
<b>Investment Income</b>		493	-	142	635	585
<b>Incoming resources from charitable activities</b>						
Career Transition Partnership income from trading subsidiary	2	87	-	-	87	83
Co-operation from other charities		-	409	-	409	435
Income related to Mountbarrow House		9	-	-	9	2
<b>TOTAL INCOMING RESOURCES</b>		<b>2,435</b>	<b>413</b>	<b>142</b>	<b>2,990</b>	<b>3,086</b>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Benevolence grants	4	1,203	413	-	1,616	1,380
Benevolence department	6	758	-	-	758	819
Employment department	6	1,114	-	-	1,114	727
Recoverable costs for Mountbarrow House		2	-	-	2	2
<b>Governance Costs</b>	6,7	43	-	-	43	55
<b>TOTAL RESOURCES EXPENDED</b>		<b>3,120</b>	<b>413</b>	<b>-</b>	<b>3,533</b>	<b>2,983</b>
<b>NET OUTGOING RESOURCES</b>		<b>(685)</b>	<b>-</b>	<b>142</b>	<b>(543)</b>	<b>103</b>
Transfer between funds	15	142	-	(142)	-	-
<b>Net outgoing resources before valuations</b>		<b>(543)</b>	<b>-</b>	<b>-</b>	<b>(543)</b>	<b>103</b>
Net gain/(loss) on sale or revaluation of investments assets	10	502	-	153	655	1,103
<b>Net movement in funds</b>		<b>(41)</b>	<b>-</b>	<b>153</b>	<b>112</b>	<b>1,206</b>
Fund balances brought forward at 1 October		13,728	-	2,972	16,700	15,721
Transfer to Army Foundationers' Trust Fund, Christ's Hospital	15	-	-	-	-	(227)
<b>FUND BALANCES CARRIED FORWARD AT 30 SEPTEMBER 2014</b>		<b>13,687</b>	<b>-</b>	<b>3,125</b>	<b>16,812</b>	<b>16,700</b>

The Charity has no recognised gains or losses other than those included above. The notes on pages 29 to 34 form part of these financial statements.

# Charity Statement of Financial Activities

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2014 £'000	Total 2013 £'000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
<b>Voluntary income:</b>						
<b>Grants</b>						
The Poppy Appeal		1,757	-	-	1,757	1,670
ABF - The Soldiers' Charity		40	-	-	40	100
Royal Navy and Royal Marines Charity		-	-	-	-	20
Seafarers UK		1	-	-	1	51
<b>Donations, legacies and similar income</b>						
Covenants and donations		11	4	-	15	53
Legacies		37	-	-	37	87
<b>Investment Income</b>		493	-	142	635	585
<b>Incoming resources from charitable activities</b>						
Career Transition Partnership income from trading subsidiary	2	135	-	-	135	135
Co-operation from other charities		-	409	-	409	435
Income related to Mountbarrow House		9	-	-	9	2
<b>TOTAL INCOMING RESOURCES</b>		<b>2,483</b>	<b>413</b>	<b>142</b>	<b>3,038</b>	<b>3,138</b>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Benevolence grants	4	1,203	413	-	1,616	1,380
Benevolence department	6	758	-	-	758	819
Employment department	6	1,099	-	-	1,099	727
Recoverable costs for Mountbarrow House		2	-	-	2	2
Grant to subsidiary company		63	-	-	63	52
<b>Governance Costs</b>	6,7	43	-	-	43	55
<b>TOTAL RESOURCES EXPENDED</b>		<b>3,168</b>	<b>413</b>	<b>-</b>	<b>3,581</b>	<b>3,035</b>
<b>NET OUTGOING RESOURCES</b>		<b>(685)</b>	<b>-</b>	<b>142</b>	<b>(543)</b>	<b>103</b>
Transfer between funds	15	142	-	(142)	-	-
<b>Net outgoing resources before valuations</b>		<b>(543)</b>	<b>-</b>	<b>-</b>	<b>(543)</b>	<b>103</b>
Net gain/(loss) on sale or revaluation of investments assets	10	502	-	153	655	1,103
<b>Net movement in funds</b>		<b>(41)</b>	<b>-</b>	<b>153</b>	<b>112</b>	<b>1,206</b>
Fund balances brought forward at 1 October		13,728	-	2,972	16,700	15,721
Transfer to Army Foundationers' Trust Fund, Christ's Hospital		-	-	-	-	(227)
<b>FUND BALANCES CARRIED FORWARD AT 30 SEPTEMBER 2014</b>		<b>13,687</b>	<b>-</b>	<b>3,125</b>	<b>16,812</b>	<b>16,700</b>

The Charity has no recognised gains or losses other than those included above.

The notes on pages 29 to 34 form part of these financial statements.

# Consolidated and Charity Balance Sheets

AS AT 30 SEPTEMBER 2014

	Notes	GROUP		CHARITY	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
<b>INCOMING RESOURCES</b>					
<b>FIXED ASSETS</b>					
Investments	10	15,636	14,795	15,636	14,795
<b>CURRENT ASSETS</b>					
Debtors	13	922	805	1,031	867
Cash at bank and in hand		617	1,128	508	1,066
<b>TOTAL CURRENT ASSETS</b>		<b>1,539</b>	<b>1,933</b>	<b>1,539</b>	<b>1,933</b>
<b>CREDITORS: amounts falling due within one year</b>	14	(363)	(28)	(363)	(28)
<b>NET CURRENT ASSETS</b>		<b>1,176</b>	<b>1,905</b>	<b>1,176</b>	<b>1,905</b>
<b>NET ASSETS</b>		<b>16,812</b>	<b>16,700</b>	<b>16,812</b>	<b>16,700</b>
<b>FUNDS</b>					
Unrestricted		13,687	13,728	13,687	13,728
Restricted		-	-	-	-
Permanent endowment		3,125	2,972	3,125	2,972
<b>TOTAL FUNDS</b>	15,16	<b>16,812</b>	<b>16,700</b>	<b>16,812</b>	<b>16,700</b>

The financial statements were approved and authorised for issue by the Executive Committee

on 24th January 2015

and were signed on its behalf by:

[ORIGINAL SIGNED]

**J D M Fisher**  
Chairman

[ORIGINAL SIGNED]

**A J Spofforth BA FCA**  
Chairman, Finance, Investment and Audit Sub-Committee

The notes on pages 29 to 34 form part of these financial statements.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## 1. ACCOUNTING POLICIES

### 1.1 Accounting convention

The financial statements have been prepared under the historical costs convention as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) published by the Charity Commission in March 2005 and applicable UK Accounting Standards.

### 1.2 Tangible fixed assets

Fixed assets are carried at cost less depreciation. Depreciation of tangible assets is provided at rates estimated to write off cost or valuation of the relevant assets by equal amounts over their expected useful lives, at the following rates:

Office premises - over the lease term	Furniture - over 3 years
Computers - over 3 years	Office machinery - over 3 years

In accordance with a resolution of the Executive and Finance Committee, tangible fixed assets are capitalised if their initial cost is in excess of £2,500.

### 1.3 Investments

Investments are stated at market value at each balance sheet date, with unrealised gains and losses shown in the Statement of Financial Activities.

### 1.4 Incoming resources and resources expended

Incoming resources and resources expended have been accounted for on an accruals basis. This includes legacies and donations where a value can be established before payment is received.

Management and administrative expenses have been charged to respective charity activities by:

- Apportioning headcount costs of management and administrative staff on the basis of an assessment of the actual time spent by individuals on each activity, and
- Allocating the remaining headcount costs and other administrative expenses pro rata to direct expense.

### 1.5 Grants

Grants are included as expenditure in the period in which the award is paid.

### 1.6 Governance Costs

Expenditure that is directly related to governance costs is included with an allocation of the cost of the time spent by staff on the activities within the definition.

### 1.7 Taxation

As a charity registered in the UK, the income of OA, which is applied for charitable purposes, is exempt from taxation.

### 1.8 Operating leases

Rentals payable under operating leases are charged against incoming resources on a straight line basis over the lease term.

### 1.9 Pension costs

The pension charge in the financial statements represents contributions payable to defined contribution schemes for the year.

### 1.10 Basis of inclusion

The Officers' Association (Auxiliary) Limited is a 100% owned subsidiary and has been included in the consolidated financial statements on a line by line basis.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## 1.11 Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Restricted funds comprise funds subject to specific restrictions imposed by donors and funders. Details of the nature and purpose of each fund is set out in note 15.

Endowment funds comprise The Officers' Association Permanent Endowment Fund. Further details are shown in note 12. The capital is invested in perpetuity; the income from this is available for the general purposes of the charity.

## 1.12 Cashflow

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the OA qualifies as a small company.

## 2. CAREER TRANSITION PARTNERSHIP

OA forms part of the CTP which provides resettlement services to the MOD. This activity is funded by payments from Right Management Consultants who are the main contractor within this partnership. This trading activity is carried out through the Officers' Association (Auxiliary) Limited as sub-contractors through JEP, see note 11.

## 3. COST OF GENERATING FUNDS — INVESTMENT MANAGEMENT EXPENSES

All investments are now held within three Funds, the Armed Forces Common Investment Fund (AFCIF) managed by BlackRock, and the Charifund equities and Charibond funds managed by M&G Securities Limited. Management fees for those funds are not charged separately but absorbed within the unit values of those funds on the basis of their respective Total Expense Ratio (TER). The TER for AFCIF is reported as 0.48% (2012 0.42%). The TER for M&G Charifund and Charibond are reported as 0.47% and 0.36% respectively.

## 4. BENEVOLENCE GRANTS

Benevolence grants represent financial help to individuals. The Trustees' Report contains further details about these grants. We also make loans to our beneficiaries; see note 10.

## 5. EMPLOYEES

The average number of London based employees was 25 (2013: 22). The number of employees who received emoluments in the year in the range of £60,000 to £70,000 was three (2012: 1) and in the range of £70,000 to £80,000 was one (2012: 1). Employer's Contributions to individuals' pension schemes amounted to £86,709 and to their National Insurance Contributions totalled £91,063; contributions for the four employees mentioned above totalled £15,673 (pensions) and £16,973 (National Insurance).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## 6. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITY CONSOLIDATED

	Staff Costs £'000	Direct Costs £'000	Administrative Costs £'000	Total 2014 £'000	Total 2013 £'000
Benevolence Department	361	51	346	758	819
Employment Department	520	79	515	1,114	727
	<u>881</u>	<u>130</u>	<u>861</u>	<u>1,872</u>	<u>1,546</u>
Governance	-	5	38	43	55
	<u>881</u>	<u>135</u>	<u>899</u>	<u>1,915</u>	<u>1,601</u>
				<b>£'000</b>	<b>£'000</b>
Administrative costs comprise:					
Staff costs				411	386
Accommodation costs				110	80
IT costs				136	215
Unrecoverable VAT				50	33
Office expenses				50	49
Marketing and project costs				94	5
Website costs				12	5
Depreciation				-	-
Insurance				5	5
Relocation costs				-	11
Legal and professional fees				26	24
Finance costs				5	6
				<u>899</u>	<u>819</u>

## 7. ANALYSIS OF GOVERNANCE COSTS

	2014 £'000	2013 £'000
Management staff time on governance	8	37
Trustees expenses reimbursed	4	4
Audit fees	16	14
Strategic projects	15	-
	<u>43</u>	<u>55</u>

## 8. STAFF PENSION SCHEME

OA provides a voluntary, contributory group personal pension scheme which is insured with Scottish Life Assurance plc; there were 22 members of this scheme. In addition, there is a defined contribution scheme with The Equitable Life Assurance Society set up in March 2001 that is now paid-up; there are 11 members of this scheme. Contributions paid in the year amounted to £104k (2013: £87k).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## 9. TRUSTEES

No Trustee received any remuneration. 10 Trustees (2013: 11) were reimbursed expenses incurred in the performance of their duties. In 2014 this amounted to £4,102 (2013: £4,815).

No transactions have been undertaken in the name of or on behalf of the Charity in which any Trustee or person connected with such a Trustee has any material interest.

## 10. INVESTMENTS

THE GROUP AND CHARITY	Value at 1 October 2013 £'000	Additions at cost £'000	Proceeds on disposals £'000	Revaluation gain £'000	Value at 30 September 2014 £'000
Armed Forces Common Investment Fund	10,519	-	-	453	10,972
M&G Charifund	3,922	200	-	199	4,321
M&G Charibond	300	-	-	3	303
<b>Total Managed funds</b>	<b>14,741</b>	<b>200</b>	<b>-</b>	<b>655</b>	<b>15,596</b>
Programme investments*	54	-	14	-	40
<b>Total investments</b>	<b>14,795</b>	<b>200</b>	<b>14</b>	<b>655</b>	<b>15,636</b>

All of the revaluation gain is unrealised.

\* Programme Investments are secured and unsecured loans to beneficiaries for capital expenditure. The balance at 30 September 2014 consisted of 7 such loans of between £3K and £10K each. Interest is charged on these loans but is payable only on repayment of the loan. Interest received in the year in respect of these loans was £1,599.

## 11. THE OFFICERS' ASSOCIATION (AUXILIARY) LIMITED

	2014 £	2013 £
<b>Unlisted investments – The Officers' Association (Auxiliary) Limited</b>		
Investment at cost	100	100

The investment represents the entire issued share capital of The Officers' Association (Auxiliary) Limited, a company registered in England and Wales (Company no.169743).

A summary of its trading results is shown below:

	2014 £	2013 £
Turnover	87,309	83,209
Grant from OA to OA (Auxiliary) Ltd	63,000	52,000
<b>Total income</b>	<b>150,309</b>	<b>135,209</b>
Cost of sales	135,034	135,000
<b>Gross profit</b>	<b>15,275</b>	<b>209</b>
Administrative expenses	15,026	30
<b>Operating profit</b>	<b>249</b>	<b>179</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## 12. THE OFFICERS' ASSOCIATION PERMANENT ENDOWMENT FUND

Under a Charity Commission scheme dated 21 June 2010 a new subsidiary charity was registered with the name of The Officers' Association Permanent Endowment Fund (OAPEF) under number 201321-10. The objects of the charity are:

- a. Support of former commissioned officers of the Armed Services of the Crown to re-establish themselves in civilian life: the relief in need of former commissioned officers of the Armed Services of the Crown and their dependants.
- b. To aid, assist and promote the interests of such persons in such other ways as are legally charitable including the support of former commissioned officers of the Armed Services of the Crown to re-establish themselves in civilian life.

The OA is the sole trustee of this Charity, which incorporates the funds of the Bourke Trust, an unincorporated registered charity no.209998, and the Lieutenant Humphrey Herbert Mayer Memorial Fund, an unincorporated registered subsidiary charity no.201321-6†. Those charities were de-registered on the same date. The new charity also incorporates the funds previously held under the title The Officers' Association Permanent Endowment Fund.

The capital value of this fund is now invested in M&G Charifund. The income from this investment is available to spend on the general purposes of the charity.

† Mrs M A Mayer endowed the Lieutenant Humphrey Herbert Mayer Memorial Fund through a legacy in memory of her son. Lieutenant Mayer, Royal Warwickshire Regiment was serving with 2nd Bn The Dorsetshire Regiment when he was killed at Kohima, aged 24, on 27 April 1944 while leading his platoon in a courageous attempt to silence machine guns in bunkers on the slopes of Garrison Hill.

## 13. DEBTORS

	The Group		The Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade debtors	6	1	6	1
Amount due from subsidiary undertaking	-	-	109	70
Other debtors	49	33	49	25
Accrued investment income	110	101	110	101
Accrued Poppy Appeal income	757	670	757	670
	<u>922</u>	<u>805</u>	<u>1,031</u>	<u>867</u>

'Other Debtors' (above) include amounts totalling £8,171 (2013: £8,548) in respect of loans to employees for the purchase of season tickets. No interest is charged on these amounts.

## 14. CREDITORS: Amounts Falling Due Within One Year

	The Group		The Charity	
	2014	2013	2014	2013
Trade creditors	45	9	45	9
Grant commitments payable	261	-	261	-
Taxation and social security	33	-	33	-
Other creditors	-	5	-	5
Accruals	24	14	24	14
	<u>363</u>	<u>28</u>	<u>363</u>	<u>28</u>

'Other Debtors' (above) include amounts totalling £8,171 (2013: £8,548) in respect of loans to employees for the purchase of season tickets. No interest is charged on these amounts.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## 15. MOVEMENT IN FUNDS

	Balance b/f	Income	Expenditure	Sale or Revaluation Gain (Loss)	Fund Transfers	Balance c/f
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Endowment Funds: OAPEF*</b>	2,972	142	-	153	(142)	3,125
<b>Restricted Funds</b>						
Hankin Legacy†	-	-	-	-	-	-
Other grants and donations	-	4	(4)	-	-	-
Benevolence co-operation	-	409	(409)	-	-	-
<b>Total Restricted Funds</b>	-	413	(413)	-	-	-
<b>Unrestricted Funds</b>	13,728	2,435	(3,120)	502	142	13,687
<b>Total Funds</b>	16,700	2,990	(3,533)	655	-	16,812

\* The OAPEF: see Note 12

† Major Barclay Hankin, Royal Signals, who died in 2007, left a very specific legacy to the OA: it was 'to be used to help towards the education of children of officers who have served in Royal Signals who have lost their father as a result of his death or serious incapacity by making use of the schooling available at Christ's Hospital School to help a very deserving child'. OA worked closely with the Corps of Royal Signals and Christ's Hospital to apply the proceeds of the legacy as Major Hankin intended but, despite all efforts over five years, no candidate who met the legacy's conditions was identified. Christ's Hospital has meanwhile established an 'Army Foundationers' Trust Fund' to support a child from an Army family at the school. The OA took Charity Commission and legal advice, which established that it would be appropriate and expedient for the OA to transfer the whole legacy to the Army Foundation at Christ's Hospital subject to the latter's agreement that any future beneficiary who fully met the legacy's terms would not be disadvantaged and that the Royal Signals' association with the school, and their interest in the Legacy, would be duly recognised. The OA Trustees agreed a resolution to transfer the Legacy; an online declaration of intent was lodged with the Charity Commission, and the funds were transferred to the Army Foundationers' Trust Fund on 19 July 2013.

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Investments £'000	Cash £'000	Other £'000	Total £'000
<b>OA Permanent Endowment Fund</b>	3,125	-	-	3,125
<b>Unrestricted</b>				
General	12,471	617	559	13,647
Programme Investments	40	-	-	40
<b>Total Unrestricted</b>	12,511	617	559	13,687
<b>Total</b>	15,636	617	559	16,812

# Independent Auditors' Report to the Trustees of The Officers' Association

We have audited the financial statements of the Officers' Association for the year ended 30 September 2014 which comprise the charity and group Statement of Financial Activities, the charity and group Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 30 September 2014, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Royal Charter.

## Matters on which we are Required to Report by Exception

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

- the information given in the Trustees' Annual 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.

  
haysmacintyre  
Statutory Auditor

Dated: 24 January 2015

26, Red Lion Square  
London  
WC1R 4AG

# Charity Information

## THE OFFICERS' ASSOCIATION

<b>Incorporated under Royal Charter:</b>	1921
<b>Charity Registration Number:</b>	201321. The OA was registered with the Charity Commission on 17 April 1964.
<b>Company Registration Number:</b>	RC000389

The governing document is the Royal Charter dated 30 June 1921 as amended 2 August 1946, 17 September 1946, 26 February 1964, 16 July 1966, 17 September 1996, 17 May 2000 and in 2005. A further amendment, prepared in 2014, is currently with the Privy Council for approval. In addition, under a Charity Commission Scheme dated 30 July 1996, the funds of The Officers' Families Fund and The Ex-Officers' Widows Trust are to be administered and managed as part of the property of the OA. With Charity Commission agreement, following a resolution passed by OA Trustees on 19 May 2010, the funds of the Imperial Indian Relief Fund were transferred into the OA general funds on 1 September 2010.

**Patron:** Her Majesty the Queen

**Trustees:**

**Presidents**

Lieutenant General Sir Alistair Irwin KCB CBE  
Air Chief Marshal Sir Clive Loader KCB OBE  
Vice Admiral Sir Richard Ibbotson KBE CB DSC DL

**Vice-Presidents**

Captain P B Mitford-Slade OBE  
J D M Fisher Esq

**Chairman, Executive Committee and Honorary Treasurer**

J D M Fisher Esq

**Members of Council 2013-14**

J D M Fisher Esq\*  
F Froud Esq (resigned at AGM 20 February 2014)  
J Holdsworth Esq\*  
Air Commodore P G Johnson OBE\*  
Major J M Killip ACMA CGMA DChA (resigned 23 May 2014)  
Mrs J R Lynch \*  
Captain G Peel RN (resigned 28 November 2013)  
R Sankey Esq\*  
A Singleton Esq JP\*  
A J Spofforth Esq BA FCA\*  
Ms D Thomas\*

**Officers from other Service Charities**

Air Vice Marshal the Hon D Murray CVO OBE\*, Controller, SSAFA  
Air Marshal Chris Nickols CB CBE MA FRAeS, Chief Executive, RAFBF  
(resigned 4 September 2014)  
R Robson Esq., Chief Executive, RNRMC (resigned at AGM 20 February 2014)  
Major General M J Rutledge CB OBE\*, Chief Executive, ABF-The Soldiers' Charity

*Note: an asterisk (\*) denotes an Executive Committee Member*

**Vice-Patrons**

Major General P R F Bonnet CB MBE  
M Burdick Esq  
Lieutenant Commander R J Caton RD FAIA FIAM RNR  
Captain A C Chambers DL  
Air Commodore J Chandler CBE  
Captain R M Esden MBE  
F Froud Esq (appointed 31 January 2014)  
Major General J C M Gordon CBE  
Captain J Harvey LVO RN  
Air Vice Marshal N S Howlett CB  
Colonel the Reverend P Lear FCMA, Dip Theol  
Major General A P W Maclellan CB CVO MBE  
Colonel D O Messent MB FRCS  
Brigadier J M A Nurton OBE MC  
N J Reid Esq  
D M F Scott Esq MA (appointed 31 January 2014)  
Major General M F L Shellard CBE  
Colonel M M Slattery RRC  
Brigadier R A Smart OSTJ  
Major General J C B Sutherell CB CBE DL (appointed 31 January 2014)  
Captain I B Sutherland RN (appointed 31 January 2014)  
Colonel J S K Swanston MB ChB FRGS OSTJ

**Chief Executive Officer:**

L Holloway Esq

**Senior Managers:**

Colonel H G R Boscawen BA (Chief Operating Officer)  
Mrs E A Strouts (Head, Benevolence Department)  
Mrs L Stevens (Head, Employment and Marketing Department)

**Principal Office:**

1st Floor, Mountbarrow House  
6–20, Elizabeth Street, London SW1W 9RB  
Telephone: 020 7808 4160

**Bankers:**

The Royal Bank of Scotland  
62-63, Threadneedle Street, London EC2R 8LA

**Solicitors:**

GRM Law LLP (formerly Gregory Rowcliffe and Milners)  
1, Bedford Row, London WC1R 4BZ

**Auditors:**

haysmacintyre  
26, Red Lion Square, London WC1R 4AG

**Investment advisers:**

BlackRock Investment Management (UK) Limited  
12, Throgmorton Avenue, London EC2N 2DL

M&G Securities Limited  
PO Box 9038, Chelmsford, Essex CM99 2XF

## Co-operating Charities and Organisations for the Year 2013-14

The OA would like to acknowledge the financial assistance given by the following charities:

### Service Charities

Association of Jewish Ex-Servicemen and Women  
Burma Star Association  
Help for Heroes  
Officers' Association Scotland  
Royal Patriotic Fund Corporation  
The Royal British Legion  
The Royal British Legion Women's Section

### Royal Navy, Royal Marines and Maritime Charities

Royal Navy Officers' Charity  
Royal Marines Association  
Royal Navy/Royal Marines Children's Fund  
Seafarers UK  
WRNS Benevolent Trust

### Army Charities

Army Benevolent Fund – The Soldiers' Charity  
The King's Royal Hussars  
The Queen's Royal Lancers Regimental Association  
The Royal Tank Regiment Association and Benevolent Fund  
Royal Armoured Corps War Memorial Benevolent Fund  
Royal Artillery Charitable Fund  
Kelly Holdsworth Artillery Trust  
Royal Engineers Association  
Royal Engineers Officers' Widows Society  
Royal Signals Association  
Coldstream Guards Regimental Charitable Funds  
Scots Guards Association  
The Royal Regiment of Scotland  
The Princess of Wales's Royal Regiment Benevolence Fund  
Duke of Lancaster's Regiment  
The Royal Fusiliers Aid Society  
The Royal Anglian Regiment Association Benevolent Fund  
The Rifles Benevolent Trust  
The Yorkshire Regiment  
The Mercian Regiment  
The Royal Welch Fusiliers Fund  
Royal Irish Regiment Benevolent Fund  
Airborne Forces Security Fund  
Sirmoor Rifles Association (UK) Trust  
SAS Regimental Association  
The Ulster Defence Regiment Benevolent Fund  
Army Air Corps Association  
Royal Army Chaplains Department Association  
Royal Logistic Corps Association Trust  
Royal Army Service Corps/Royal Corps of Transport Regimental Association and Benevolent Fund  
Royal Army Medical Corps Charitable Fund 1992  
Royal Electrical and Mechanical Engineers Benevolent Fund  
Royal Military Police Benevolent Fund

Intelligence Corps Association  
Royal Army Physical Training Corps Association  
ATS/WRAC Association Benevolent Fund  
Queen Alexandra's Royal Army Nursing Corps (QARANC) Association

**Royal Air Force Charities**

Royal Air Force Benevolent Fund

**Civilian Charities**

Balmain Charitable Trust  
Bank Workers Charity  
Chartered Accountants' Benevolent Association  
Electrical Industries Charity  
Elizabeth Finn Care  
Fenton Trust (Family Action)  
Foot Friends – The Footwear Benevolent Society  
Guild of Aid  
Home of Devenish  
Hospitality Action  
Independent Age  
Institute of Engineering and Technology Benevolent Trust  
National Federation of Sub-Postmasters Benevolent Fund  
The Printing Charity  
Professionals' Aid Council  
The Retail Trust  
St Andrew's Society for Ladies in Need  
The Timber Trades Benevolent Society

**The OA would also like to acknowledge the help given by the following charities whose advice, support, information, invitations and volunteer networks have assisted the Benevolence Department's work:**

Age UK  
Association of Charity Organisations  
Cobseo - the Confederation of Service Charities  
Maritime Charities Funding Group (Seafarers' Advice and Information Line)  
Not Forgotten Association  
Regular Forces Employment Association  
Royal Air Force Benevolent Fund and Royal Air Force Association welfare networks  
The Royal British Legion Headquarters and welfare network  
Royal Commonwealth Ex-Services League  
Royal Navy and Royal Marines Charity  
SSAFA Central Office and welfare network  
Veterans Aid  
ZANE (Zimbabwe A National Emergency)

**The OA would further like to acknowledge the help given by the following companies whose donations have assisted the Employment Department's activities:**

Deloitte  
St. James's Place  
Wellesley and Co.



The Officers' Association  
Mountbarrow House, 6-20 Elizabeth Street  
London SW1W 9RB

Tel: 020 7808 4160

[www.officersassociation.org.uk](http://www.officersassociation.org.uk)