



# ANNUAL REPORT

## 2016-17



# THE OFFICERS' ASSOCIATION REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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# Introduction by the Chairman of Trustees

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**Alex Spofforth**  
Chairman of Trustees

This Annual Report seeks to address how we have interpreted our original charitable purpose to keep it relevant for the 21st century. We have invested time, care and enthusiasm in ensuring the Charity remains fit for the future.

The relevance to wider society of the officer and the skills acquired in military life is increasingly apparent, both from our research and from the positive reaction to our social media. These channels are helping us to reach more beneficiaries and job seekers.

As the only Tri-Service charity for officers, we are maintaining our independent and distinct role in the network of military sector charities. We will continue to promote the professionalism with which the OA team carry out their work, and indeed of the officers we represent, as they contribute to leadership within our country. We aim to meet the high standards the public reasonably expects of a charity, under the increasingly attentive gaze of the media.

The value of officers is being recognised by more and more employers who see the potential in bringing military leadership and project management skills into their workplace. Employers are realising officers have the experience to create and use teamwork in a digital age which is challenging the way we work. This recognition is echoed by the Government which not only sees the way in which officers can contribute, but is also becoming more vocal about it, using the quality research provided by the sector. Both employers and Government understand that 'Military is Good for Business.'

In pursuit of our charitable aims, we increased the realisation of our reserves and consequent spend from around £1m in the last two years to £1.4m in the year under review (page 27). We continue to plan for spending with measurable outcomes for our beneficiaries, but we must also remember the outcomes which are more difficult to measure. Noteworthy examples in the past year could be found across our social media channels, in the films created under the Veterans Work initiative, and in the human stories which showed improvements for our beneficiaries.

In accordance with our Royal Charter, we shall continue to promote the interests of officers, whom we consider an essential part of our culture and who provide leadership with integrity, patience and effectiveness. I hope that this Report gives you a flavour of what we do and how we do it.

# Chief Executive Officer's Report

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**Lee Holloway**  
Chief Executive Officer

2016-17 saw continued upheavals in the UK economy and political uncertainty brought about by a combination of Brexit and a general election. These have contributed to increased demands on charities to meet the growing gaps in services provided by the state. Moreover, continued speculation and uncertainty in deciding the size, priority and capability of our Armed Forces make it harder for organisations such as the Officers' Association to set their strategy for the longer term.

Over the past year, the Benevolence team has continued to provide a professional support service. Time has been invested in our core volunteers, the Honorary Representatives, and regional meetings are now a regular event, designed to inform and assist both them and us. We are looking to invest in digital technology to improve communication channels and to document the impact we are having with our casework. With increased marketing support, we will focus on ensuring more potential beneficiaries are aware of and have access to the range of services we offer.

It is in the space of veteran employment that we have been most vocal this year. Using our published partner research, launched in November 2016, we were able to provide overwhelming evidence to demonstrate that Service personnel leave with skill sets which are of commercial benefit to business. Our 'Military is Good for Business' dinner welcomed the Parliamentary Under-Secretary of State for Defence People and Veterans, the Rt. Hon. Tobias Ellwood MP, who reiterated the value of employing veterans and the work of the OA.

The outlook for officers in transition and those working to develop their civilian careers is hugely promising. Whilst employers are now recognising this unique talent pool, the OA is focussed on equipping the officer job seeker with the resources, knowledge and networks they need to capitalise on their core transferable skills. It makes good business sense for the wider community to profit from the investment in training made whilst serving. We are working to ensure the Employment App is central to the delivery of OA Employment Services.

Our mutually beneficial relationship with The Royal British Legion dates from the Legion's foundation in 1921 when the OA handed over its appeals department and a cash payment of £10,000 to finance the new charity until it could generate its own income. Under the ongoing agreement we do not raise funds as an individual charity, but receive a proportion of the Poppy Appeal street collection. Currently some 60% of our income is derived from the Legion; this arrangement is, again, under review and I will be reporting on the outcome of our discussions.

The growing emphasis on good governance and a strong regulatory framework mean that many of us in the charity sector are forced to devote greater resources to compliance; as CEO I will continue to ensure that the organisation is prepared and well placed to respond to whatever may lie ahead while remaining loyal to our founding purpose of aiding and assisting former officers and their dependants.

# Trustees' Report

The Trustees present the annual report and audited financial statements for the year ended 30 September 2017. 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 Charity Commission.

## Our charitable object and activities for the public benefit

The Officers' Association (OA) is a registered charity, founded in 1920. We provide advice and financial help to relieve distress and hardship amongst those who have held a Commission in the Armed Forces, their families and dependants. We also support officers in their transition into civilian employment, thus meeting our founding purpose to aid, assist and promote the interests of all such persons.



## Structure, Governance and Management

- **Structure.** The OA was incorporated under Royal Charter on 30 June 1921 and registered as a charity (number 201321) with the Charity Commission on 17 April 1964. It is the parent charity of OA Advance Limited whose financial statements have been consolidated in these financial statements.
- **Governance.** Being governed by Royal Charter, the OA is not directly subject to the laws and codes of practice relating to the operation of companies. However, the 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 2017 and in preparing this Report and the Financial Statements. We also note and adopt the Charity Governance Code of 2017. 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 15 July 2015. The Presidents, Vice-Presidents and Trustees form the Council of the Association.
- **Trustees.** The OA currently has 12 trustees, 7 of whom have served as commissioned officers in the Services. They are recruited through the OA's extensive network of contacts based on their experience and expertise. Potential trustees are invited for an interview with a panel of trustees who assess their suitability for the role. The panel then recommend suitable candidates to the Executive Committee which, after consideration, proposes them for election at a meeting of the Council. Trustees of the OA who served during 2016-17 are listed on page 47. New trustees are directed, before election, to the Charity Commission guidance on the responsibilities of trustees and subsequently attend an induction session at the OA. All trustees are encouraged to attend training to remain up to date with the law and practices affecting the sector. Most trustees sit on at least one sub-committee.

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## Management: Executive Committee

The Executive Committee meets quarterly and is the principal OA trustee committee which directs the policy, finance and operations of the Charity. The OA senior management team attends, reports to and receives direction from the Executive Committee. The Executive Committee has four sub-committees:

- **Finance, Investment and Audit Sub-Committee.** The Finance, Investment and Audit Sub-Committee (FIASC) meets quarterly. It oversees the OA's finance processes and staff, scrutinises quarterly and annual figures and the draft budget and offers advice to the Executive Committee on all such matters, including investments, reserves and pensions.
- **Benevolence Sub-Committee.** The Benevolence Sub-Committee meets quarterly. It directs Benevolence policy and oversees decisions on complex and costly cases. Trustees also conduct spot checks on activities.
- **Employment Sub-Committee.** The Employment Sub-Committee meets quarterly. It provides oversight of Employment strategy, policy and service delivery.
- **Remuneration Sub-Committee.** The Remuneration Sub-Committee meets biannually. It considers and recommends, for FIASC review and Executive Committee approval, the annual pay award and other terms of employment of all staff including the senior management team.

## Our Purpose

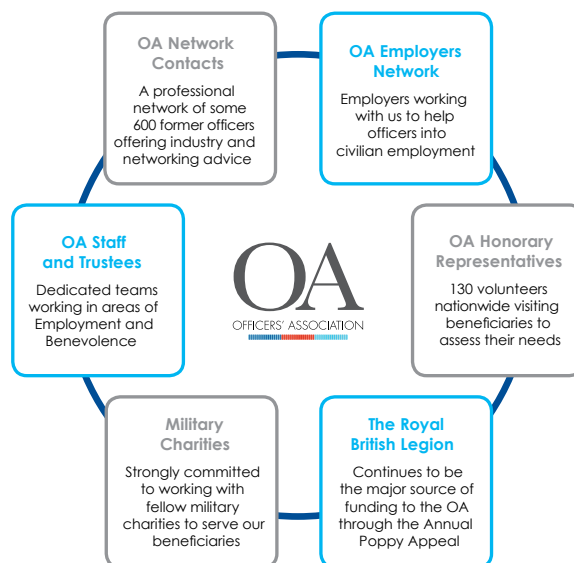
As the only Tri-Service charity working with the officer corps, we support former officers and their families, their widows/widowers and dependants by providing advice and financial help, where needed, to enable them to live independently and overcome financial challenges. We work with serving, reservist and former officers to help them achieve a sustainable and fulfilling career in civilian employment.

During the last financial year, we provided support and financial assistance to individuals, families and dependants through 1,107 Benevolence cases and supported 4,782 serving and former Service personnel with Employment Services.

## Collaboration

Working collaboratively with other Service and civilian charities and our volunteer networks is central to the OA's ethos because it directly benefits those who require our support. Proactive engagement and joint case-work often mean we can deliver a faster response in times of crisis and act as the single point of contact for complex case requirements. A list of those charities with which we work is on pages 48-49.

We are most grateful to our volunteers who give up their time to help support former colleagues. Without their continued commitment we would not be able to offer the same levels of support to both beneficiaries and job seekers.



# Benevolence

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## Achievements

### 1. Advice and Support

We provide confidential and impartial advice and support to those in need of help. Often, we act as a first port of call to provide assistance on statutory benefits, loneliness, legal advice and other aspects of welfare.

The Benevolence Department has dealt with 1,107 (1,015)<sup>1</sup> cases, 403 of which were new this year and 704 of which were continued on from last year. All cases are reviewed on an annual basis.

Our Honorary Representatives (Hon Reps) made 414 visits; further visits are carried out by caseworkers from other charities. The visits took place in the beneficiary's home, adding a very personal touch to the service we provide.

### 2. Financial Help

Many of those contacting us are in financial need and the majority of the financial support we provide in response is through the provision of means-tested grants. We offer a range of services from an annual allowance to one-off help with unexpected household bills.

#### 2.1 Grants and Allowances

**Total Amount of Grants Made.** A total of £1,369K (£1,353K) has been paid out in grants with 59% (57%) awarded in the form of regular payments. £965K (2016: £925K) of those grants came directly from OA funds with the remainder provided through co-operation with other charities and trusts.

**Number of Individuals Receiving Grants.** 668 (662) individuals have been supported with grants.

**Care Homes and Care at Home.** 28 (32) individuals have been assisted this year with a top-up grant to help with care home fees. We have supported a further 6 (8) people by assisting with the cost of receiving care at home.

### 2.2 Support Abroad

Our support is not limited to those living in England, Wales and Northern Ireland. A separate charity, OA Scotland, operates under Scottish jurisdiction. We have supported 118 (138) people abroad, mostly with grants, with the majority, 37 (40), in Zimbabwe. We have to thank, in particular, the Royal Commonwealth Ex-Services League, ZANE, The Royal British Legion, SSAFA and Age in Spain for their part in facilitating our support to these people.

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<sup>1</sup> Figures in brackets are from the last financial year.



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## Delivering Benevolence Services

### 1. Process

Delivering support to those in need is our highest priority. Our process for distributing grants follows an effective five step process:

- An initial assessment of need
- Support and advice during the application process
- Awarding and approval of financial support and grants
- Delivery and reconciliation of grants
- Evaluating and recording outcomes.

### 2. Policies and Procedures

We regularly review our policies and procedures to ensure our service delivery remains relevant and professional. Over the past year we have focussed on:

#### 2.1 Ensuring Confidential and Empathetic Help.

Many of our beneficiaries approaching the OA do so after some consideration. Our experienced staff understand this and aim to provide a single and consistent point of contact, while providing reassurance through the assessment process.

**2.2 Staff Training.** Time was allocated to developing staff skills, with five of the team successfully completing the Welfare Diploma course provided by the Defence Medical Welfare Service.

**2.3 Reviewing Grant Levels.** This year we have raised our grant levels, having last reviewed them three years ago. Data from the Joseph Rowntree Foundation, and other military charities which award grants, was used to benchmark our criteria for assistance and to help set the current grant levels. These changes will help those receiving regular grants and those needing assistance with care home fees.

**2.4 Reviewing Data Protection.** We anticipate working with the military charity sector to increase our understanding of how to use personal data securely and lawfully, especially when involving volunteers/caseworkers.

## Co-operation with other charities

1. Co-operation with other charities is important to us as it helps us to extend the support available to our beneficiaries:

**1.1** 30% of all grants paid out during the year came from funds provided by other charities.

**1.2** We are grateful to those charities providing us with block grants of £87K restricted funds this year. This provides a cost-efficient way of distributing grants and ensures beneficiaries receive their funding quickly.

**1.3** Co-operation on individual cases has amounted to £317K. This sharing of resources helps us to operate efficiently and to maximise grants available to award to our beneficiaries.

**1.4** The 403 new cases referred to the OA came to us through various channels. 42% came via the Casework Management System (CMS), a computer-based system that enables details of cases to be exchanged between 115 military charities. The remainder came either from self-referrals or directly from other charities; the majority of the latter came from SSAFA with a significant proportion also coming from the Royal Air Forces Association, the Royal British Legion and the Royal Commonwealth Ex-Services League.

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## The Disabled Officers' Garden Homes

The OA is able to offer accommodation to disabled retired officers and their families in the Disabled Officers' Garden Homes at Leavesden near Watford. The twelve modern bungalows on this tranquil two-acre estate have either two or three bedrooms, and each has a small open front garden and a back garden with parking space and garage. They all overlook an attractive communal garden and are close to amenities and transport links to London.

Whilst the bungalows and communal garden are maintained to a high standard by Haig Housing, the Benevolence team are responsible for the welfare of the residents they have placed there and the process for selecting new residents.

## Specialist Advice: Legal, Loneliness and Befriending Services

We provide additional services in support of beneficiaries whose needs may be more complex. Traditional grant-making is supplemented by continued partnerships with Law Express, Age UK and Silverline, enabling us to deliver a more holistic service. Take-up of these services, however, has been disappointing and more work needs to be done to raise awareness of them.



*The Disabled Officers' Garden Homes at Leavesden*

### CASE STUDY

We support a former RAF officer in his fifties who, since leaving the Service, has struggled to maintain permanent employment due to on-going health issues. Currently, he is relying on state benefits, but, ideally, would like to undertake part-time work. He is divorced with a young child whom he sees regularly.

The OA has supported this officer with grants, including a one-off payment to replace white goods, and a grant towards the purchase of a riser-recliner chair. He has also received our annual allowance (up to £35 per week) to help him meet his regular bills. We provided funding for training courses to help expand his skills so that he is able to consider part-time work and, as his health improves, he expects to seek help from our Employment team.

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## Our Focus through 2016-17

### 1. Increasing Awareness of Services

OA published research, *Demographic Research on the Serving and Former Officer Community*, tells us that we are not reaching as many potential beneficiaries as we could and that, as the number of those who undertook National Service reduces, the number of people requiring our support will further decline. This year, however, the decline has been reversed. This may be due in part to our increased marketing activity and use of social media.

**Moving ahead in 2018:** We will continue marketing activity to reach more potential beneficiaries, including the development of video content to highlight how we offer support.

### 2. Assessing Impact

Over the past 12 months we have increased our use of the Independence Star<sup>TM2</sup> to measure and evaluate the impact of our services on beneficiaries, and to record our impact as a team. As most annual reviews of cases now include an Impact Star<sup>TM</sup> assessment, our focus is on understanding how best to represent the resulting data and how this can be used to improve services. Beneficiaries find the Star useful because it gives them a visual representation of the impact resulting from the support delivered to them. The Honorary Representatives appreciate the Star because it provides a practical and consistent framework for assessing complex needs.

**Moving ahead in 2018:** The Royal British Legion and Help for Heroes have been developing analysis of their own Star data for trustees and staff and, in the spirit of co-operation, are sharing this experience with the OA. The Benevolence Department is also planning to develop its analysis similarly to ensure we are delivering an appropriate and holistic service.

### 3. Developing the Honorary Representative Network

The work of the OA's Honorary Representatives is essential to the OA's delivery of support. The opportunity to speak confidentially to an Honorary Representative in the comfort and familiarity of their own home is appreciated by those needing our support. The OA is fortunate to work with an experienced and empathetic group of volunteers, many of whom have served in the Armed Forces.

- We anticipate a smaller, more experienced number of volunteers who will undertake more visits. The number of Hon Reps has reduced naturally during the year and now stands at 130 (165).
- Supporting the Hon Reps has been a priority. We have issued policy updates and undertaken a series of meetings around England in order to provide training and share best practice.

**Moving ahead in 2018:** Work to ensure the Hon Reps are able to communicate electronically and securely has been undertaken; this will form a major part of improving our volunteer network over the next year.

### 4. Lady Grover's Fund

Lady Grover's Fund (LGF) is a Friendly Society that provides immediate grants to defray short-term expenses caused by injury or illness to dependants of officers of all three services, serving and retired. The OA and LGF serve the same officer community and, with shared values, have worked together for many years. The OA has been approached by LGF to take over the day-to-day administration of the Fund.

**Moving ahead in 2018:** Subject to a contract being agreed, the Benevolence Department will provide a confidential and reliable administrative service for LGF members.

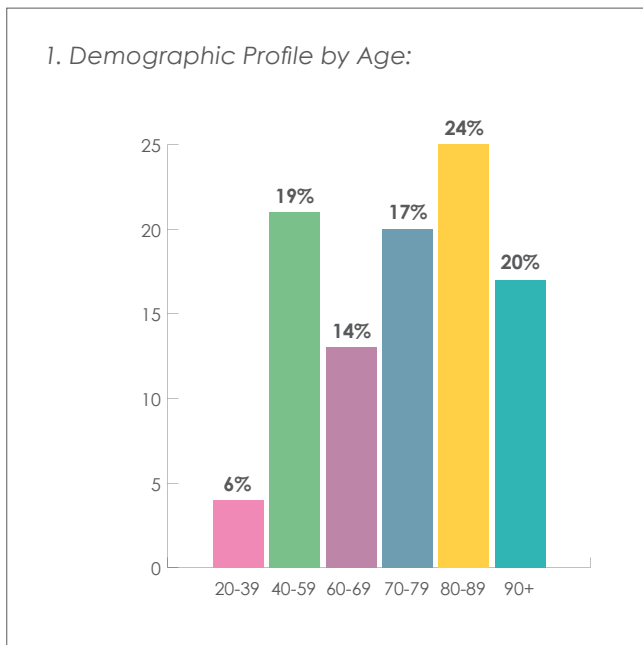
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2 The Independence Star is a trademarked impact measurement tool.

## Analysis of Support

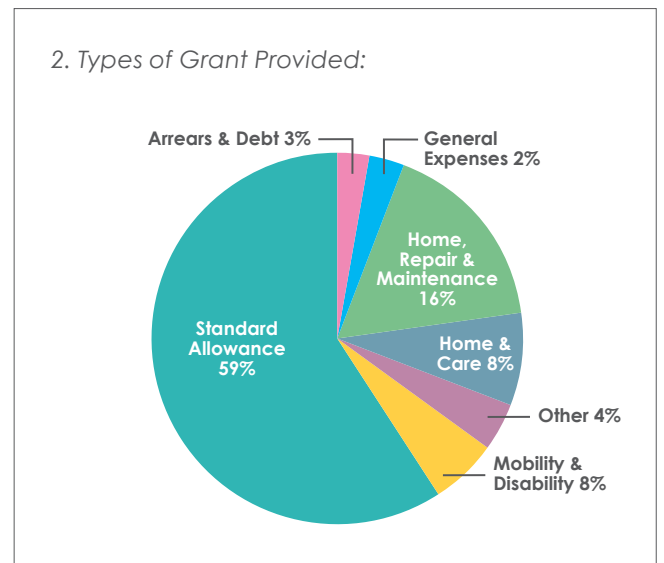
### 1. Demographic Profile

The proportion of people we help aged between 40 to 80 has increased to 54% (50%) and the number of people aged over 90 has reduced to 17% (20%). This change in demographic profile from the previous year is in line with our published research and we anticipate a further move towards a younger demographic seeking our support over the next 10 years.



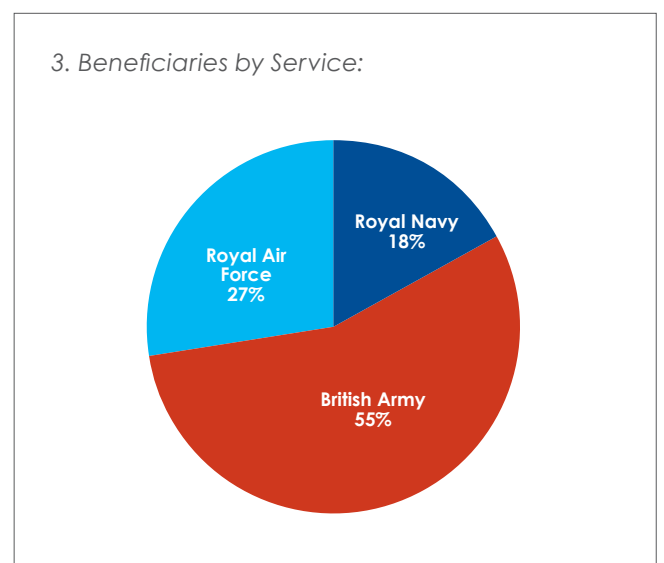
### 2. Types of Grant Provided

The majority (59%) of grants provided has been in the form of a regular standard allowance. This proportion has increased from 57% in 2015-16 and reflects a need to provide financial support in increasingly complex cases.



### 3. The Three Services

The ratio of support provided to the three Services has remained much the same over the past two years.



# Employment

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## Achievements

In 2016-17, 4,782 job seekers used OA Employment Services. The department focuses on supporting officers as they transition into sustainable civilian employment and those looking to change careers having left the Armed Forces. This is achieved by providing services based around three key transition topics:

- Developing job seekers' knowledge (OA Insight)
- Building personal networks (OA Connect)
- Highlighting jobs and other opportunities from employers who are pre-disposed to employing or supporting veterans (OA Appointments).

These services are underpinned by an employer engagement strategy which covers the following short, medium and long term goals:

- Delivering jobs and other opportunities
- Developing partnerships and programmes
- Leading and shaping the wider military employer agenda.

### 1. OA Insight

Knowledge on transition topics and sector/industry advice is provided through various channels: one-to-one consultations, webinars, career pathway workshops, employer-led CV reviews, our digital knowledge base, online careers fair and two symposia (one in London and one in York).

Involvement of employers and network contacts (former officers who have successfully transitioned into civilian employment) in the delivery of all activities has been fundamental to increasing the impact for job seekers and providing a vocational context; this is a key OA differentiator.

Last year nearly 2,500 job seekers were registered for OA Insight activities and engaged with the OA over 24,000 times. This included:

- Webinar views: 20,600 (16,000)
- Attending knowledge based events: 1,532 (1,448).
- Career Consultations: 780 (768).

### 2. OA Connect

The OA provides opportunities for job seekers to network with our veteran and employer communities through regional events and online networking groups, facilitated through the Employment App and LinkedIn.

Over 600 job seekers, network contacts, supporters and employers attended networking events this year, held in London, York and Bristol.

### 3. OA Appointments

The OA's dedicated Executive Jobs Board is able to deliver job vacancies and careers advice to all registered, eligible job seekers. It advertises roles from military-friendly employers geared towards officers and former officers looking for their next non-military role. A total of 1,757 (1,599) new job seekers registered with the OA this year, an increase of 10% from last year.

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## Delivering Employment Services

Whilst providing recruitment services and identifying roles from employers are important elements of our transition services, job seekers who are most successful in finding employment on leaving the Armed Forces are those with the tools, knowledge and networks in place to secure not only their first job but further roles throughout their working life.

Understanding these needs and listening to our clients mean we have focussed on the development and continued prioritisation of the following:

- Digital technology as a means of extending key job seeker services
- Development of online communities and networks
- Continued development of relationships with employers
- Development of employment leadership activities.

## Our Focus through 2016-17

### 1. Digital delivery of job seeker services

To improve the OA's services to job seekers we will continue to digitalise elements of what we currently offer in order to give all job seekers, wherever they are, access to our services on demand. Projects include:

**1.1 Self-Analysis Tool.** This tool aims to identify the transition needs of job seekers and signpost relevant, tailored services. It is probable that the self-analysis tool will form the cornerstone to all job seeker focussed services, with the capacity to assess the needs of job seekers at the outset of their transition journey and propose personalised solutions. In the longer term, it will also allow us to measure impact once transition is complete.

Funding of £25K has been provided by ABF The Soldiers' Charity to support the project which is due to be completed in April 2018.

## CASE STUDY

Neil Williams served in the Royal Marines for eight years, leaving in November 2017. Neil was unsure of his employment options, but meeting an OA Business Development Manager at a training event led to his attending two OA career consultations over three months. The OA Career Consultants encouraged Neil to network and helped him to identify business management as his preferred career.

On leaving the Armed Forces, Neil was interested in two jobs: an airport Incident Operations Manager and an Operations Manager for an internet marketing company. He focussed on the latter but the role fell through, forcing him to start again. Through his network he met the owner of a private investment business based in Brighton who was starting a recruitment agency, and offered Neil the role of setting up and running this new company. Neil is now the CEO of the agency, Crucial Group Ltd, which comprises four complementary businesses, specialising in cyber security and data protection.

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**1.2 Online Careers Fair.** A pilot online careers fair aimed at those seeking executive roles was delivered in conjunction with Salute My Job in June 2017, and attended by over 311 job seekers and 9 employers. The pilot proved popular and received positive feedback from those attending.

The success of this initial online careers fair has provided a 'proof of concept' for both the business model and delivery channel. It has given us an insight into the cost, benefits and impact of running any future online careers fairs.

**1.3 Facebook Live.** The adoption of this fast-moving technology by the OA has extended the reach of events such as workshops and symposia, as well as delivering industry insight and transition advice.

Facebook Live has proved to be a cost-effective and efficient method of delivering insight to a wider audience. We plan to maximise its usage throughout 2018 where possible.

**1.4 Recruitment Services and the Executive Jobs Board.** A fundamental review of recruitment services was started last year, and significant progress was made on the initial discovery and requirements gathering phases. These have identified the value of engagement between job seekers, employers and 'OA Alumni' as key to securing employment on leaving the Services.

A key focus of this project will be the development of a community engagement interface to support and enhance the productive engagement between these community members.

**1.5 Employment App.** This went live in December 2016, providing a one-stop shop and access to all employment services including the Executive Jobs Board, events and network contacts. So far, 1,945 job seekers have downloaded the App.

The App has significantly enhanced the job seeker experience in accessing and using all employment services. Job seekers are able to filter and search for content and contacts relevant to them. This year's development has focussed on a self-service function for job seekers to book and manage their own career consultation appointments. This is due to go live in early 2018.

**Moving ahead in 2018:** The next phase of development for the App will be the integration of the self-analysis tool, enabling the OA to offer a fully personalised user experience.

There are plans to widen the online community to include employers and other organisational supporters, thus increasing engagement within the community.

## 2. Networking and Communities

**2.1 Community Development.** A number of new regional or industry-specific networking groups, supported by the OA, emerged in 2016-17 (NEON, 3M, Forces into Health) and those already established continue to grow (Two Roses, Alma).

Branding and online marketing support will continue to be offered to all networking groups so that they can continue to develop and extend their reach.

**2.2 Research and Insight.** A new research project was launched in 2017 to explore the issues of those transitioning from the Services aged 50 plus. An initial survey was conducted with 750 veterans and published for review by employers at a roundtable discussion hosted by Alexander Mann Solutions.

**Moving ahead in 2018:** Funding has been sought from Forces in Mind Trust (FiMT) to undertake a wider study in 2018.

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### 3. Employer Engagement

**3.1 Partnerships and Programmes.** The number of vocational workshops delivered in partnership with employers was increased during the year with the addition of two new subject areas: Operations and Risk Management.

Employer-led CV review workshops were also increased, enabling higher numbers of Service leavers to engage directly with HR professionals and gain a better understanding of how to access different industries and sectors.

**Moving ahead in 2018:** Shifting the balance between OA and employer-led workshops/ services is a core part of the strategy to facilitate greater interaction within the OA community. Increased involvement from employers provides Service leavers with relevant non-military reference points, and an opportunity to increase their networks. From an employer perspective, it enables HR teams and line managers to meet former Service personnel and gain a better understanding of the skills and experience they can bring to organisations.

**3.2 Employer Workshops.** Business in the Community (BiTC) was commissioned to undertake research to determine the requirement for an employers' workshop targeted at HR professionals looking to employ former Service personnel. The aim is to provide an introduction to the skills and experience that Servicemen and women can bring to an organisation, as well as sharing best practice from employers seeking to set up talent pipelines.

A pilot workshop was held in November 2017 with a view to rolling out the programme to more employers in 2018.

### 4. Employment Leadership Agenda

A number of projects were completed in 2016-17 which have contributed to our wider 'Military is Good for Business' leadership campaign.

**4.1 Veterans Work.** A series of three short films was created to highlight with employers key aspects of the 2016 Veterans Work report. The films were developed in partnership with Deloitte, The Drive project and in collaboration with Business in the Community; they are available to view at [www.veteranswork.org.uk](http://www.veteranswork.org.uk).

**Moving ahead in 2018:** Veterans Work will continue to provide a body of evidence and tools to support the case that 'Military is Good for Business.' To extend the reach of the campaign, further dissemination of both the report and films is planned for 2018.



*The 'Veterans Work' partners at the films' premiere*



# Raising our Profile

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We have made significant progress in raising awareness of the OA over the past year, but our research tells us that knowledge of the OA and our services is not as high as it could be. The turnover of officers is predicted to increase, thus creating a greater need for transition and support services. We will strive to ensure those who are eligible for assistance from the OA know of our services and how to access and benefit from them.

OA published research shows the number of serving officers to be 27,000 across the Services with the total number of UK Service veteran officers estimated at 384,000 plus families. The research also indicates that whilst the number of former officers in the older age group is forecast to decline, needs may become more complex and acute. Given that the officer community self-identifies as a proud and able group, the challenge to the OA is to continue to reach out to former officers and their families earlier, to assist where we can.

To help us raise our profile and extend our reach, we will continue to:

## 1. Develop our online presence

In 2016-17:

- Unique visitors to the website grew by 62% from the previous year
- Our Facebook followers grew to 16,979
- LinkedIn followers grew to 7,005, an increase of 18.6%
- We launched the OA Instagram page in July 2017
- YouTube Views showed an increase of 61% from the previous year
- Watch time on YouTube grew by 38% from the previous year.



*The OA sponsored the National Inter-Services Triathlon*

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## 2. Participate in Service-led events

In 2016-17 we:

- Sponsored the National Inter-Services Triathlon
- Sponsored Royal Navy Ladies Cricket team
- Attended Armed Forces Day Liverpool
- Attended Meet & Greet (Family Day) at Shrivenham
- Supported networking and volunteering events
- Ran the 'Military is Good for Business' OA Dinner: OA's Employer Recognition Award was presented to the NHS Step into Health pilot programme
- Presented OA recognition awards to graduates at RAF College Cranwell, BRNC Dartmouth and Defence Academy Shrivenham.

## 3. Media Coverage

In 2016-17 this included:

- Veterans Work Report: extensive national press coverage
- Inter-Services Triathlon: a readership of over 120,000 across Service press
- Demographic Report: coverage in The Daily Express and RAF News
- Regional employment events and news: York and Bristol newspapers
- Cobseo: OA are the third biggest contributor to their online newsletter
- British Forces Broadcasting Service: Online Jobs Fair, Veterans Work interviews and radio coverage.

## 4. Maximise Video & Live Streaming

- With more users watching video across social networks, it is important to use this channel to reach job seekers and beneficiaries
- We successfully adopted live streaming, via the OA Facebook page, to showcase interviews with guest speakers and broadcast key-note speeches at events
- Our most popular broadcast was at Tesco HQ in February 2017. We reached over 4,000 users and had 1,440 views of the live stream in 24 hours, promoting career opportunities.



*Julia Watling accepts the OA Employer Recognition Award on behalf of Step Into Health*



*The OA presented the 'Spirit of the Royal Navy' sword to Officer Cadet Bethany Ward*

# Supporting our Core Services

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The OA is committed to providing effective and cost-efficient services to our job seekers and beneficiaries and operates a small central support team to make this happen.

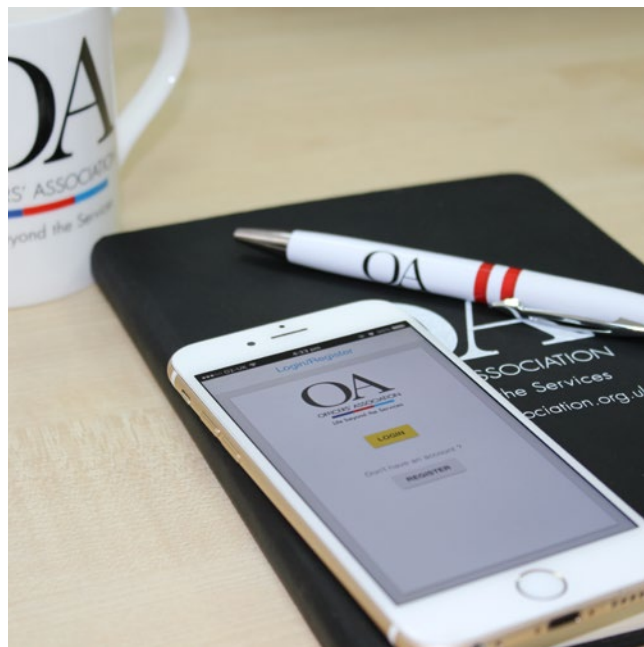
## 1. Compliance

Following the conclusion of an external data protection audit, the OA appointed a professionally qualified Data Protection Officer to supervise the OA's compliance with all new data protection legislation.

## 2. Technical Support

The OA's objective is to make cost-effective use of new technologies where they will enhance the secure, efficient delivery of our core services. In the past year, this included:

- Increasing the bandwidth of our leased line, introducing new hardware for use across the OA
- Planning the upgrade of our mobile and fixed line phone systems to improve the productivity and efficiency of our staff (for delivery in 2017-18)
- Developing our CRM system to provide an improved and secure service for our beneficiaries
- Making incremental enhancements to our IT security systems.



*The OA Employment App*

# Financial Review

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## Trustees' Responsibilities

**Trustees' Report.** 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

**Financial Statements.** 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 group and of the incoming resources and application of resources of the charity and group 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 2015 (FRS 102).
- 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 operation.
- The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Accounting Records.** The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity to ensure that the financial statements comply with The Charities Act 2011, the Accounting and Reporting by Charities: Statement of Reporting Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014, and the provisions of the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and group and for taking reasonable steps to prevent and detect fraud and other irregularities.

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## Highlights from the Accounts

We operate at a deficit so that we can draw down reserves for our charitable purposes. We are using reserves to invest more in marketing, research, impact assessment and reporting in order to improve our range of services. This year our expenditure exceeded income by £846K (2016: £369K). There was, however, an unrealised gain of £1.1M (2016: £1.55M) on the investment portfolio. The net movement in funds was an increase of £259K (2016: £1.2M) resulting in our funds standing at £17.9M (£17.7M).

**Income.** Our main sources of income for the year were:

- **Poppy Appeal.** Of the £3.25M (2016: £3.4M) income accounted for, £1.95M (2016: £2.04M) came from the Poppy Appeal Street Collection. We thank The Royal British Legion, our principal funder, for their continued support.
- **Investment Income.** A total income of £652K (2016: £662K) was received this year from investments. Investment returns have been in line with the investment type for the 2016-17 investment market.
- **Restricted Income.** We received £444K (2016: £446K) of restricted funding from other charities, the majority of which was in the form of direct grant payments to beneficiaries or a contribution towards OA grants awarded. An increasingly welcome trend is for charities to provide funding as a lump sum which the OA then distributes on their behalf, in line with their charitable objects. Other restricted income included a grant of £25K from ABF The Soldiers' Charity to part fund the development of the Self Analysis Tool.
- **Sale of Shares.** In line with our budget to operate at a deficit, £750K (2016: £340K) of shares from our investments were sold to fund activities.
- **Legacies.** Legacy income received this year was £127K (2016: £202K).



**Expenditure.** Our expenditure this year of £4.1M (2016: £3.8M) shows an increase of 8% over last year's figure. Of this amount, Benevolence Grants awarded and paid out in the year were £1.37M (2016: £1.35M), a marginal increase of 1% on last year's figure. The increase in expenditure is attributable to:

- **Employment Department.** An increase in direct Employment Department costs was due to additional delivery of workshops and events, the next phase in development of the Employment App, supporting the Veterans Work film project, initial work on the 50 Plus research project and the development of the military employment training programme.
- **Benevolence Department.** Benevolence Department costs increased owing to the apportionment of some costs from the Marketing and Support functions.
- **Marketing and Communication Department.** An increase in Marketing and Communication costs was due to greater activity to reach and engage with former Service personnel and their families.
- **Support Department.** An increase in Support Department costs was due to higher accommodation costs at the London office, commissioning a survey to measure changes in the perception of the OA, funding a Data Protection Audit, further development of the CRM system and investigations into other forms of income development.

**Career Transition Partnership.** The OA continues to support the Career Transition Partnership (CTP) which provides resettlement services to the Ministry of Defence (MOD). This is now, however, carried out on an unpaid basis as Right Management, which was re-awarded the contract in 2015, has not re-subcontracted officer-specific services to the OA.

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## Reserves Policy

The Reserves Policy is a key element of the financial strategy. It is reviewed on an annual basis by the Executive Committee. Our unrestricted reserves target is unchanged at £10M, equivalent to two and a half years of current annual expenditure, in acknowledgement of increased uncertainty over the level of funding risk. Unrestricted reserves currently stand at £14M (2016: £14M) which is £4M above the reserves target. Unrealised investment gains have resulted in the value of reserves marginally increasing rather than decreasing as planned. This unrestricted reserves target was based on:

- **Mitigating any loss of income from The Royal British Legion.** The income from The Royal British Legion is variable and is dependent on the Poppy Appeal street collection. The £1.95M received in 2016-17 represented 60% of our total income. The five-year payment agreement between The Royal British Legion and the OA expired on 12 March 2017. It has been extended by two years and is now due to expire in 2019. Dialogue is underway for a new agreement to be drawn up in 2018. The £10m reserves would compensate for approximately five years' funding, thus giving time to establish an independent fund-raising capacity.
- **Uncertainties in the value of and income from investments.** Investment income currently represents 20% of our total income. The value of the investment portfolio is subject to fluctuation and investment income is unpredictable. In addition, investments are being sold to fund the deficit resulting in a reduction in actual investment income received.
- **Office accommodation in London.** Accommodation costs in London are a large part of our overhead costs. The cost of vacating Mountbarrow House in 2020-21 and either buying or renting new office facilities in Central London is under consideration.
- **Obligations in the event of winding-up.** If the Charity were to close down, there would be a legal obligation to honour grants awarded to beneficiaries for up to 1 year after cessation of benevolence activity. There is also a moral obligation to continue funding those in care homes, a service not offered by other military charities. The total cost of winding up the Charity and honouring existing contracts is estimated to be in the region of £1.5M.

A strategy to operate at a deficit has been in operation over the last three years to bring the reserves level in line with the reserves target. Unrealised investment gains over the past two years have resulted in the reserves increasing or staying the same.

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## Risks

The Executive Committee has considered the major risks to which the Charity is exposed and has reviewed those risks and established systems and procedures to manage them. This year it was decided that Data Protection and Cyber Security should be classified as strategic risks to reflect the impact on the organisation should these risks be realised. The main strategic risks are:

- **Loss or reduction of funding.** The Executive Committee considers loss of funding to be the Charity's primary risk. The amount of funds held in reserves compensates for funding uncertainties.
- **Losing relevance and impact.** Inadequate outreach to beneficiaries, job seekers, partner organisations and employers and a failure to adapt to changing circumstances would lead to an under-utilisation of services and therefore an inefficient use of OA resources. There has been an increase in capacity of the Marketing Department to enable us to deliver greater emphasis on outreach events and communication through social media. The OA has adapted its structure to enhance key capabilities and has also actively gathered case studies from beneficiaries, job seekers and employers, analysing, interpreting and applying the feedback.
- **General Data Protection Regulation.** The introduction of the General Data Protection Regulation in May 2018 and the tabling of the parallel UK legislation have raised awareness of the legal requirements to protect personal data. There is greater emphasis in the new legislation on data subjects' rights; people are becoming conscious of these rights and how much information is held about them. The processing of personal data is key to the delivery of our services. We must be able to assure our users we will safeguard their data and only use it for the intended purpose. Failure in this regard carries the risk of loss of trust and reputation, as well as financial penalty. The Officers' Association has appointed a Data Protection Officer, with a professionally recognised qualification and who is accountable to trustees. OA staff are being trained to understand and respond to the legal requirements and increasing public expectations of data security.

- **Cyber Security.** Inadequate precautions against cyber attack could result in the denial of access or damage to the OA IT system. This could compromise sensitive documents and, if a major data protection breach occurred, could result in regulatory censure and penalty charges. The OA has mitigated these threats by using hosted remote desktop services and file servers which offer greater protection than an in-house infrastructure. The Salesforce CRM cloud database also provides a high level of security. We are continuing to improve and strengthen our device protection and password policies to reduce the risk of un-authorised log-in. We are also introducing annual information security training to all staff in 2017-18. A project will also take place in 2017-18 to review and potentially replace the remote desktop services and file servers to enhance security further.

## 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 on the understanding it did not conduct its own fundraising in competition with the Appeal.

## Investment Policy

The OA's funds 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 Finance, Investment and Audit Sub-Committee (FIASC), which reviews 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.

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## Remuneration Policy

The OA's remuneration arrangements are based on a Remuneration Policy that has been reviewed and agreed by the trustees' Remuneration Sub-Committee and approved by the Executive Committee.

- The Terms of Reference of the trustees' Remuneration Sub-Committee have been agreed by the Executive Committee and are reviewed annually.
- The Remuneration Policy includes a salary structure which evaluates and benchmarks the salaries for all roles against the sector. This ensures that staff salaries are kept equitable and consistent.
- The trustees' Remuneration Sub-Committee meets twice a year to consider and approve changes to remuneration and benefits in accordance with the Policy. It also considers and makes recommendations for changes to the Policy itself.
- The Executive Committee considers and approves recommendations for any general annual salary increase and also for changes to the CEO's remuneration.

The OA successfully passed its auto-enrolment staging date in January 2017. A salary exchange scheme for pensions was introduced in March 2017.

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Approved by the Executive Committee and signed on its behalf by

SIGNED IN THE ORIGINAL

**A J Spofforth BA FCA**  
Chairman

on 15 February 2018

SIGNED IN THE ORIGINAL

**R M Sankey**  
Chairman, Finance, Investment and  
Audit Sub-Committee



# Consolidated Statement of Financial Activities

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
<b>INCOME FROM:</b>						
<b>Donations and legacies</b>						
The Poppy Appeal		1,950	-	-	1,950	2,042
Other donations and legacies		199	82	-	281	344
<b>Charitable activities</b>						
Benevolence activity		-	337	-	337	348
Employment activity		-	25	-	25	-
<b>Investments</b>						
		492	-	160	652	662
<b>Other trading activity</b>	14	5	-	-	5	5
Total Income		2,646	444	160	3,250	3,401
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>						
Benevolence department	6	(2,000)	(434)	-	(2,434)	(2,313)
Employment department	6	(1,662)	-	-	(1,662)	(1,457)
Total Expenditure		(3,662)	(434)	-	(4,096)	(3,770)
<b>Net (expenditure)/income and net movement in funds before gains on investments</b>		<b>(1,016)</b>	<b>10</b>	<b>160</b>	<b>(846)</b>	<b>(369)</b>
Net gains on investments	13	906	-	199	1,105	1,551
<b>Net income/(expenditure)</b>		<b>(110)</b>	<b>10</b>	<b>359</b>	<b>259</b>	<b>1,182</b>
Transfers between funds	17	160	-	(160)	-	-
<b>Net movement in funds</b>		<b>50</b>	<b>10</b>	<b>199</b>	<b>259</b>	<b>1,182</b>
Reconciliation of funds:						
Funds brought forward		14,296	43	3,315	17,654	16,472
<b>FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2017</b>		<b>14,346</b>	<b>53</b>	<b>3,514</b>	<b>17,913</b>	<b>17,654</b>

The notes on pages 28-43 form part of these financial statements. The statement of financial activities includes all gains and losses recognised in the year. All amounts were derived from continuing activities. Full comparative figures for the year ended 30 September 2016 are shown in note 23.

# Balance Sheets

AS AT 30 SEPTEMBER 2017

	Notes	2017 Group £'000	2016 Group £'000	2017 Charity £'000	2016 Charity £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	42	56	42	56
Investments	13	16,653	16,298	16,653	16,298
Total Fixed Assets		<u>16,695</u>	<u>16,354</u>	<u>16,695</u>	<u>16,354</u>
<b>CURRENT ASSETS</b>					
Debtors	15	1,137	1,183	1,140	1,188
Cash at bank and in hand		617	662	612	656
Total Current Assets		<u>1,754</u>	<u>1,845</u>	<u>1,752</u>	<u>1,844</u>
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	16	(536)	(545)	(535)	(545)
<b>NET CURRENT ASSETS</b>		1,218	1,300	1,217	1,299
<b>NET ASSETS</b>		<u><b>17,913</b></u>	<u><b>17,654</b></u>	<u><b>17,912</b></u>	<u><b>17,653</b></u>
<b>FUNDS</b>					
Unrestricted funds	17	14,346	14,296	14,345	14,295
Restricted funds	17	53	43	53	43
Permanent endowment	17	3,514	3,315	3,514	3,315
<b>TOTAL FUNDS</b>		<u><b>17,913</b></u>	<u><b>17,654</b></u>	<u><b>17,912</b></u>	<u><b>17,653</b></u>

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

on 15 February 2018

and were signed on its behalf by:

SIGNED IN THE ORIGINAL

**A J Spofforth BA FCA**  
Chairman

SIGNED IN THE ORIGINAL

**R M Sankey**  
Chairman, Finance, Investment and  
Audit Sub-Committee

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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	<b>Note</b>	<b>2017 Group £'000</b>	<b>2016 Group £'000</b>
<b>Cash outflow from operating activities</b>	22	<u>(1,447)</u>	<u>(893)</u>
<b>Cash flows from investing activities</b>			
Sale of investments	13	750	340
Investment income		652	662
Repayment of programme investments	13	-	5
Purchase of tangible fixed assets	9	<u>-</u>	<u>(69)</u>
<b>Cash provided by investing activities</b>		<u>1,402</u>	<u>938</u>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		(45)	45
Cash and cash equivalents at the beginning of the year		<u>662</u>	<u>617</u>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u><b>617</b></u>	<u><b>662</b></u>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 1. Accounting Policies

**1.1. Statutory information.** The OA was established under Royal Charter in 1921 and registered as a charity in England and Wales in 1964. The registered office address is 1st Floor, 6-20 Mountbarrow House, Elizabeth Street, London, SW1W 9RB.

**1.2. Basis of Preparation.** The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at market value, and in accordance with the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view.' This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

**1.3. Going Concern.** The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

**1.4. Critical Accounting Judgements and Estimates.** In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**1.5. Tangible Fixed Assets.** Tangible fixed assets are capitalised if their individual initial cost is in excess of £2,500. 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. Capitalised leasehold improvements have been depreciated over the duration of the lease of 5 years.

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

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

**1.8. Financial Instruments.** The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

**1.9. Debtors.** Short term debtors are measured at transaction price, less any impairment.

**1.10. Creditors.** Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. The grant liability is the unpaid element of the OA grants awarded during the financial year. All OA grants awarded can be drawn upon for a period of 12 months from the awarding date. Not all awarded grants are drawn down to zero.

**1.11. Foreign Currency Translation.** The charity's functional and presentation currency is pound sterling. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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**1.12. Income.** Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

- **Legacies.** For legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- **Co-operation.** Income from other charities for the purpose of distributing as grants to OA beneficiaries, known as co-operation, is recognised when the amount can be measured reliably and is not deferred. If the beneficiary no longer needs the grant, the funds are returned to the co-operating charity.

**1.13. Gifts in Kind.** Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised; please see the main body of the report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1.14. Expenditure.** Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure has been accounted for on an accruals basis. Support expenses have been charged to respective charity activities by:

- Apportioning headcount costs of support staff on an equal basis between the two main activities of the charity.
- Apportioning headcount costs of marketing staff on an assessment of the actual marketing time spent on each activity.
- Allocating remaining support and marketing expenses pro rata to staff numbers.

**1.15. Grants.** Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or when the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Officers' Association.

**1.16. Governance Costs.** Expenditure that is directly related to the governance of the charity. These costs include trustee expenses, governance reviews, auditor fees, AGM costs and annual report production.

**1.17. Taxation.** As a charity registered in the UK, the income of the OA is exempt from taxation as it is raised charitably and is all applied for charitable purposes.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

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

**1.20. Basis of inclusion.** OA Advance Limited is a 100% owned subsidiary and has been included in the consolidated financial statements on a line by line basis. The name was changed from The Officers' Association (Auxiliary) Limited in September 2017.

## 1.21. Funds

- **Unrestricted 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.** Restricted funds comprise grants that are restricted in their use by being subject to specific restrictions imposed by donors and funders. Details of the nature and purpose of each fund is set out in note 17.
- **Endowment Funds.** Endowment funds comprise The Officers' Association Permanent Endowment Fund. Further details are shown in note 17. The capital is invested in perpetuity; the income from this is available for the general purposes of the charity.

## 2. Income from Donations and Legacies

	Unrestricted £'000	Restricted £'000	2017 £'000	2016 £'000
Poppy Appeal	1,950	-	1,950	2,042
Legacies	127	-	127	202
Other donations	72	82	154	142
	<u>2,149</u>	<u>82</u>	<u>2,231</u>	<u>2,386</u>

- Legacies notified but not accrued in the accounts are estimated at £170K (2016: £nil).
- The final payment due from the Royal British Legion's 2016 Poppy Appeal was unknown and therefore not accrued at the date this Annual Report was produced. It is estimated that this sum will be in the region of £70K.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 3. Cost of Generating Funds - Investment Management Expenses

All investments are now held in three Funds: the Armed Forces Common Investment Fund (AFCIF), managed by BlackRock, and the Charifund equities and Charibond funds managed by M&G Securities Ltd. Management fees for these funds are not charged separately but are 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 0.40% (2016: 0.40%) and for the M&G managed Charifund and Charibond investments is reported as 0.46% and 0.30% respectively (2016: 0.46% and 0.36%).

## 4. Parent Charity

The parent charity's gross income and results for the year are disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Gross income	3,468	3,602
Results for the year	<u>259</u>	<u>1,182</u>

## 5. Staff Costs

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and wages	1,328	1,184
Employer's National Insurance contribution	132	127
Employer's contribution to defined contribution pension schemes	102	100
Other forms of employee benefits	2	-
Temporary staff	9	24
	<u>1,573</u>	<u>1,435</u>

The average number of employees (head count based on number of staff employed) during the year was as follows:

	<u>36</u>	<u>31</u>
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The full time equivalent numbers of employees was 32 (2016: 28)

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £69,999	2	2
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £325,993 (2016: £341,010).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 6. Analysis of Resources Expended By Activity

	<b>Charitable activities</b>				<b>2017 Total £'000</b>	<b>2016 Total £'000</b>
	<b>Benevolence costs £'000</b>	<b>Employment costs £'000</b>	<b>Governance costs £'000</b>	<b>Support costs £'000</b>		
	Staff costs (note 5)	420	616	-		
Staff travel & subsistence, training & development, and HR costs	24	53	-	51	128	182
Grants payable to beneficiaries	1,369	-	-	-	1,369	1,353
Grants payable to institutions	20	-	-	-	20	20
Service delivery costs	21	135	-	-	156	127
Accommodation costs	-	-	-	210	210	147
IT costs	19	59	-	38	116	119
Marketing & communication costs	19	97	-	96	212	150
Project costs	3	102	-	45	150	70
Office costs	1	2	7	27	37	38
Legal costs	-	-	-	15	15	-
Trustee expenses	-	-	9	-	9	8
Auditor fees - audit	-	-	12	-	12	14
Auditor non-audit fees	-	-	-	-	-	8
Irrecoverable VAT	-	-	-	89	89	99
	1,896	1,064	28	1,108	4,096	3,770
Support	526	582	-	(1,108)	-	-
Governance	12	16	(28)	-	-	-
Total Expenditure 2017	2,434	1,662	-	-	4,096	-
Total Expenditure 2016	2,313	1,457	-	-	-	3,770



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 7. Net (expenditure)/income for the year

	2017 £'000	2016 £'000
This is stated after charging:		
Depreciation	13	14
Operating lease rentals:		
Property	240	171
Auditor's remuneration (excluding VAT):		
Audit	12	14
Other services	-	8

## 8. Grant making

	Grants to institutions £'000	Grants to beneficiaries £'000	2017 £'000	2016 £'000
<b>Cost</b>				
Benevolence grants	20	1,369	1,389	1,373
At the end of the year	20	1,369	1,389	1,373

A grant is awarded to a beneficiary for a period of twelve months; after this time the grant expires. A Standard Allowance grant is awarded to a beneficiary directly and regular payments are set up over the twelve month period. All other grants are paid directly to the supplier of the goods or services purchased on behalf of the beneficiary. In some cases, a beneficiary will be reimbursed costs on the submission of receipts which correspond with the nature of the grant award. At any point in time the OA will have a twelve month grant liability which it recognises on a quarterly basis as an accrual. The liability is funded from existing reserves.

The Benevolence Department also makes an annual grant to the Royal Commonwealth Ex-Services League which distributes awarded grants to those beneficiaries who live in Commonwealth countries.

Support costs have not been directly charged to grant making but are included in the activity of the Benevolence Department as a whole. Full costs of the Benevolence Department can be seen at note 6.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 9. Tangible Fixed Assets

	Leasehold Improvements	Total
	£'000	£'000
Cost:		
At 1 October 2016	69	69
At 30 September 2017	<u>69</u>	<u>69</u>
Depreciation:		
At 1 October 2016	13	13
Charge for the year	<u>14</u>	<u>14</u>
At 30 September 2017	<u>27</u>	<u>27</u>
<b>Net book value</b>		
<b>At 30 September 2017</b>	<u><u>42</u></u>	<u><u>42</u></u>
At 30 September 2016	<u><u>56</u></u>	<u><u>56</u></u>

## 10. Staff Pension Scheme

The OA provides a voluntary, contributory group personal pension scheme which is insured with Royal London. There were 35 members of this scheme. Contributions paid by the OA in the year amounted to £102K (2016: £100K). 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 8 (2016: 13) members of this scheme.

## 11. Trustees

No trustee received any remuneration. 12 trustees (2016:12) were reimbursed expenses incurred for travel and accommodation. In 2017 this amounted to £9,442 (2016: £8,106). 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.

## 12. Related Party Transactions

Major General M Rutledge CB OBE, a trustee of the OA, is also a Director of the Armed Forces Common Investment Fund in which £11,477K of the Charity's funds are invested. He is also CEO of ABF The Soldiers' Charity which is the leaseholder of Mountbarrow House; the OA has its main office there as a licensed user. Annual rent paid to ABF The Soldiers' Charity was £192K (2016: £147K).

The OA sponsored a team of fourteen former Army officers taking part in the Morocco Blackthorn Rally 29 April to 5 May 2017. Ben Farrell, a trustee of the OA, was one of the participants and received the £2K sponsorship on behalf of the team. In return, the team provided the OA with imagery and daily updates from the rally that were used to populate the OA's social media channels.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 13. Investments

	Value at 1 Oct 2016	Proceeds on disposal	Realised gain (loss)	Unrealised revaluation gain (loss)	Value at 30 Sep 2017	Historical cost at 30 Sep 17
	£'000	£'000	£'000	£'000	£'000	£'000
<b>THE GROUP AND CHARITY</b>						
Armed Forces Common Investment Fund	11,376	(750)	10	841	11,477	9,655
M&G Charifund	4,565	-	-	274	4,839	3,593
M&G Charibond	326	-	-	(20)	306	300
<b>Total Managed funds</b>	<b>16,267</b>	<b>(750)</b>	<b>10</b>	<b>1,095</b>	<b>16,622</b>	<b>13,548</b>
Programme investments*	31	-	-	-	31	31
<b>Total investments</b>	<b>16,298</b>	<b>(750)</b>	<b>10</b>	<b>1,095</b>	<b>16,653</b>	<b>13,579</b>

\* Programme Investments are secured and unsecured loans to beneficiaries for capital expenditure. The balance at 30 September 2017 consisted of 5 (2016: 5) such loans of between £3K and £10K each. Interest is charged on these loans but is payable only on repayment of the loan. There was no loan repayment this year (2016: £5K).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 14. OA Advance Limited

**Investment.** The investment represents the entire issued share capital of OA Advance Limited, a company registered in England and Wales (Company no.169743).

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Unlisted investments:</b>		
<b>OA Advance Limited</b>		
Investment at cost	100	100

**Trading Results.** A summary of its trading results is shown below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Turnover	5,229	4,971
Grant from OA to OA Advance Ltd	218,111	188,286
Total income	223,340	193,257
Cost of sales	(219,489)	(193,089)
Gross profit	3,851	168
Administrative expenses	(3,476)	207
Operating profit	375	375
Corporation tax	(75)	(75)
Net profit for the year	300	300

The aggregate of the assets, liabilities and funds was:

Assets	6,729	5,784
Liabilities	(5,374)	(4,729)
Funds	1,355	1,055

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 15. Debtors

	The Group		The Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade debtors	2	8	2	8
Amount due from subsidiary undertaking	-	-	5	5
Other debtors	31	27	31	27
Accrued investment income	102	106	102	106
Accrued Poppy Appeal income	1,000	1,042	1,000	1,042
Other Accruals	2	-	-	-
	<u>1,137</u>	<u>1,183</u>	<u>1,140</u>	<u>1,188</u>

With the exception of investments, all of the charity's financial instruments, both assets and liabilities, are measured at full realisable values. The carrying values of these are shown above and also in note 16 below.

## 16. Creditors: Amounts Falling Due Within One Year

	The Group		The Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	4	-	3	-
Grant commitments payable	375	359	375	359
Taxation and social security	38	39	38	39
Other creditors	-	1	-	1
Accruals	119	146	119	146
	<u>536</u>	<u>545</u>	<u>535</u>	<u>545</u>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 17. Movement in Consolidated Funds (Current Year)

	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>	3,315	160	-	199	(160)	3,514
Restricted Funds						
Fenton Trust <sup>1</sup>	1	7	(8)	-	-	-
Home of Devenish <sup>2</sup>	-	50	(50)	-	-	-
Sandhurst Trust <sup>3</sup>	4	5	(8)	-	-	1
Seafarers UK <sup>4</sup>	8	20	(9)	-	-	19
Benevolence co-operation <sup>5</sup>	-	317	(317)	-	-	-
Forces in Mind Trust <sup>6</sup>	30	-	(30)	-	-	-
ABF The Soldiers' Charity <sup>7</sup>	-	25	-	-	-	25
Royal Engineers Officers' Widows Society (REOWS) <sup>8</sup>	-	20	(12)	-	-	8
<b>Total Restricted Funds</b>	<b>43</b>	<b>444</b>	<b>(434)</b>	<b>-</b>	<b>-</b>	<b>53</b>
<b>Unrestricted Funds</b>	<b>14,296</b>	<b>2,646</b>	<b>(3,662)</b>	<b>906</b>	<b>160</b>	<b>14,346</b>
<b>Total Funds</b>	<b>17,654</b>	<b>3,250</b>	<b>(4,096)</b>	<b>1,105</b>	<b>-</b>	<b>17,913</b>

1 Fenton Trust: For the purpose of providing grants to purchase tangible goods for British born former officers.

2 Home of Devenish: For the purpose of providing grants to widows of former officers who belong to the Church of England.

3 Sandhurst Trust: For the purpose of providing grants to former Army officers.

4 Seafarers UK: For the purpose of providing grants to former officers of the RN, RM and QARNNS.

5 Benevolence co-operation: For the purpose of providing grants to specific beneficiaries.

6 Forces in Mind Trust: Funding for the demographic profiling of the serving and ex-officer community in the UK to help understand the size, nature and needs of present and future officer communities.

7 ABF The Soldiers' Charity: Funding the development of the Transition App.

8 Royal Engineers Officers' Widows Society (REOWS): For the purpose of providing grants to the widows of former officers of the Royal Engineers.

\* The OAPEF - The Officers' Association Permanent Endowment Fund

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## The Officers' Association Permanent Endowment Fund

**Founding and Objects.** 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 OA is the sole trustee of the OAPEF. The objects of the charity are:

- 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.
- 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.

**Charities Subsumed into the OAPEF.** The OAPEF 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.

**Investments.** 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 H. H. Mayer, Royal Warwickshire Regiment, was serving with 2nd Bn. The Dorsetshire Regiment when he was killed on 27 April 1944, aged 24, at Kohima while leading his platoon in a courageous attempt to silence machine guns in bunkers on the slopes of Garrison Hill.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 18. Movement in Consolidated Funds (Prior Year)

	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>	3,037	153	-	278	(153)	3,315
Restricted Funds						
Fenton Trust <sup>1</sup>	14	-	(13)	-	-	1
Home of Devenish <sup>2</sup>	-	75	(75)	-	-	-
Sandhurst Trust <sup>3</sup>	4	15	(15)	-	-	4
Seafarers UK <sup>4</sup>	28	-	(20)	-	-	8
Benevolence co-operation <sup>5</sup>	-	305	(305)	-	-	-
Civil Service Insurance Society Charity Fund <sup>6</sup>	-	8	(8)	-	-	-
Forces in Mind Trust <sup>7</sup>	-	43	(13)	-	-	30
<b>Total Restricted Funds</b>	<b>46</b>	<b>446</b>	<b>(449)</b>	<b>-</b>	<b>-</b>	<b>43</b>
<b>Unrestricted Funds</b>	<b>13,389</b>	<b>2,802</b>	<b>(3,321)</b>	<b>1,273</b>	<b>153</b>	<b>14,296</b>
<b>Total Funds</b>	<b>16,472</b>	<b>3,401</b>	<b>(3,770)</b>	<b>1,551</b>	<b>-</b>	<b>17,654</b>

1 Fenton Trust: For the purpose of providing grants to purchase tangible goods for British born former Officers.

2 Home of Devenish: For the purpose of providing grants to widows of former officers who belong to the Church of England.

3 Sandhurst Trust: For the purpose of providing grants to former Army officers.

4 Seafarers UK: For the purpose of providing grants to former officers of the RN, RM and QARNNS.

5 Benevolence co-operation: For the purpose of providing grants to specific beneficiaries.

6 Civil Service Insurance Society Charity Fund: For the purpose of funding the Loneliness Project.

7 Forces in Mind Trust: Funding for the demographic profiling of the serving and ex-officer community in the UK to help understand the size, nature and needs of present and future officer communities.

\* The OAPEF - The Officers' Association Permanent Endowment Fund



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 19. Analysis of Net Assets Between Funds (Current Year)

Group	Investments	Fixed Assets	Cash	Other Net Current Assets	Total
	£'000	£'000	£'000	£'000	£'000
<b>OA Permanent Endowment Fund</b>	3,514	-	-	-	3,514
<b>Restricted funds</b>	-	-	53	-	53
<b>Unrestricted</b>					
General	13,055	42	617	601	14,315
Programme Investments	31	-	-	-	31
Total Unrestricted	13,086	42	617	601	14,346
<b>Total</b>	<u>16,600</u>	<u>42</u>	<u>670</u>	<u>601</u>	<u>17,913</u>

## 20. Analysis of Net Assets Between Funds (Prior Year)

Group	Investments	Fixed Assets	Cash	Other Net Current Assets	Total
	£'000	£'000	£'000	£'000	£'000
<b>OA Permanent Endowment Fund</b>	3,315	-	-	-	3,315
<b>Restricted funds</b>	-	-	43	-	43
<b>Unrestricted</b>					
General	12,952	56	619	638	14,265
Programme Investments	31	-	-	-	31
Total Unrestricted	12,983	56	619	638	14,296
<b>Total</b>	<u>16,298</u>	<u>56</u>	<u>662</u>	<u>638</u>	<u>17,654</u>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## 21. Operating Lease Commitments

At the year end, the charity was committed to make the following payments in total in respect of operating leases.

	Property	
	2017	2016
	£'000	£'000
<b>Leases which expire:</b>		
Within one year	35	49
Within two to five years	-	2
	<u>35</u>	<u>51</u>

## 22. Reconciliation of Consolidated Statement of Financial Activity to Cash Flow from operating activities

	2017	2016
	Group	Group
	£'000	£'000
<b>Net income for the reporting period</b>	<b>259</b>	<b>1,182</b>
Depreciation charge	14	13
Gains on investments	(1,105)	(1,551)
Investment income	(652)	(662)
Decrease in debtors	46	12
(Decrease)/Increase in creditors	(9)	113
<b>Cash outflow from operating activities</b>	<b>(1,447)</b>	<b>(893)</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 23. Comparative Consolidated Statement of Financial Activity (2016)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2016 £'000
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>					
The Poppy Appeal		2,042	-	-	2,042
Other donations and legacies		246	98	-	344
<b>Charitable activities</b>					
Benevolence activity		-	348	-	348
Employment activity		-	-	-	-
<b>Investments</b>					
		509	-	153	662
<b>Other trading activity</b>					
	14	5	-	-	5
Total Income		2,802	446	153	3,401
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Benevolence department	6	(1,864)	(449)	-	(2,313)
Employment department	6	(1,457)	-	-	(1,457)
Total Expenditure		(3,321)	(449)	-	(3,770)
<b>Net (expenditure)/income and net movement in funds before gains/(losses) on investments</b>		<b>(519)</b>	<b>(3)</b>	<b>153</b>	<b>(369)</b>
Net gains on investments	13	1,273	-	278	1,551
<b>Net income/(expenditure)</b>		<b>754</b>	<b>(3)</b>	<b>431</b>	<b>1,182</b>
Transfers between funds	17	153	-	(153)	-
<b>Net movement in funds</b>		<b>907</b>	<b>(3)</b>	<b>278</b>	<b>1,182</b>
Reconciliation of funds:					
Funds brought forward		13,389	46	3,037	16,472
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2016		14,296	43	3,315	17,654

# Independent Auditor's Report to the Trustees of the Officers' Association

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## Opinion

We have audited the financial statements of The Officers' Association ('the parent charity') for the year ended 30 September 2017 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, 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 group's and charity's affairs as at 30 September 2017 and of the group's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which 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.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 trustees 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 trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

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

This report is made solely to the parent charity's trustees 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 parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
  - Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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## SIGNED IN THE ORIGINAL

Date: 15 February 2018

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane,  
LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

# Charity Information

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**Incorporated under Royal Charter** 1921  
**Charity Registration Number:** 201321  
**Company Registration Number:** RC000389

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**Patron:** Her Majesty The Queen

## Presidents:

Air Chief Marshal Sir Clive Loader KCB OBE  
Vice Admiral Sir Richard Ibbotson KBE CB DSC DL  
Lieutenant General Andrew Figgures CB CBE FREng

## Vice-Presidents:

Captain P B Mitford-Slade OBE  
J D M Fisher Esq OBE  
A J Spofforth Esq BA FCA

## Trustees:

### Chairman, Executive Committee

A J Spofforth Esq BA FCA

### Members of the Executive Committee

Air Vice Marshal L S Chisnall CB  
B Farrell Esq MBE  
J Holdsworth Esq  
Commander J Lea RN  
Surgeon Commodore R M C McNeill Love  
Mrs J R Lynch  
Major General M J Rutledge CB OBE  
R Sankey Esq  
A Singleton Esq JP  
Ms D Stephenson (Soltmann)  
Ms D Thomas

## Vice-Patrons:

M Burdick Esq  
Lieutenant Commander R J Caton RD FAIA FIAM  
RNR (Deceased 1 August 2017)  
Captain A C Chambers DL  
Air Commodore J Chandler CBE  
Captain R M Esden MBE  
F Froud Esq  
Major General J C M Gordon CBE  
Captain J Harvey LVO RN  
Air Vice Marshal N S Howlett CB  
Air Commodore P G Johnson OBE  
Colonel the Reverend P Lear FCMA, Dip Theol  
Major General A P W Maclellan CB CVO MBE

## Vice-Patrons (cont.):

Colonel D O Messent MB FRCS (Deceased  
1 January 2017)  
Brigadier J M A Nurton OBE MC  
N J Reid Esq  
D M F Scott Esq MA  
Major General M F L Shellard CBE  
Colonel M M Slattery RRC  
Brigadier R A Smart OStJ  
Major General J C B Sutherland CB CBE DL  
Captain I B Sutherland RN  
Colonel J S K Swanston MB ChB FRGS OStJ

## Key Management Personnel:

Mr L Holloway (CEO)  
Mr N Hare (Head, Benevolence Department)  
Mrs J Killip (Head, Finance Department)  
Mrs E Stevens (Head, Employment Department)

## Principal Office:

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

## Bankers:

Svenska Handelsbanken AB (publ)  
London West End Branch  
3rd Floor, 86 Jermyn Street  
LONDON, SW1Y 4QU

## Solicitors:

GRM Law LLP  
1, Bedford Row  
LONDON, WC1R 4BZ

## Auditor:

Sayer Vincent LLP, Chartered Accountants and  
Statutory Auditor  
Invicta House, 108-114 Golden Lane  
LONDON EC1Y 0TL

# Co-operating Charities and Organisations

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## Contributing Charities

The OA acknowledges with thanks the financial assistance given by the following military charities during the 2016-17 reporting year:

### ■ Service Charities

Burma Star Association  
Officers' Association Scotland  
RAC War Memorial Benevolent Fund  
Royal Patriotic Fund Corporation  
The Royal British Legion

### ■ Royal Navy, Royal Marines and Maritime Charities

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

### ■ Army Charities

Airborne Forces Security Fund  
ABF The Soldiers' Charity  
Army Air Corps Association  
ATS/WRAC Association Benevolent Fund  
Coldstream Guards Regimental Charitable Funds  
Intelligence Corps Association  
The Kelly Holdsworth Artillery Trust  
Queen Alexandra's Royal Army Nursing Corps Association  
Royal Army Medical Corps Charitable Funds Association  
Royal Army Pay Corps Regimental Association  
Royal Army Service Corps and Royal Corps of Transport Regimental Association  
Royal Artillery Charitable Fund  
Royal Engineers Association  
Royal Engineers Officers' Widows Society  
Royal Hampshire Regiment Comrades Association  
Royal Logistic Corps Association Trust

### ■ Army Charities (cont.)

Royal Regiment of Fusiliers Aid Society  
Royal Signals Association  
Royal Welsh  
The Blues and Royals Association  
The Rifles Benevolent Trust  
The Sandhurst Trust  
SAS Regimental Association  
Scots Guards Charitable Fund  
Sirmoor Rifles Association (UK) Trust

### ■ Royal Air Force Charities

Royal Air Force Benevolent Fund

The OA acknowledges with thanks the financial assistance given by the following civilian charities and organisations during the 2016-17 reporting year:

Air Pilots Benevolent Fund  
Architects Benevolent Society  
British Airline Pilots Association Benevolent Fund  
Charles Brotherton Trust  
Elizabeth Finn Care  
Fenton Trust (Family Action)  
Guild of Aid for Gentlepeople  
Guild of Benevolence of the IMarEST  
Home of Devenish  
Hospitality Action  
Independent Age  
National Federation of Sub Postmasters Benevolent Fund  
Professionals' Aid Council  
Solicitors Benevolent Association  
St Andrew's Society for Ladies in Need  
The Printing Charity



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## Supporting Charities

The OA also acknowledges with thanks the help given by the following charities and organisations whose advice, support, information, invitations and volunteer networks have assisted the Benevolence Department's work:

Age UK

Age in Spain

ABF The Soldiers' Charity

Association of Charity Organisations

Cobseo - The Confederation of Service Charities

Haig Housing

Maritime Charities Funding Group (Seafarers' Advice and Information Line)

Not Forgotten Association

Regular Forces Employment Association

Royal Air Force Association and welfare network

Royal Air Force Benevolent Fund

The Royal British Legion Headquarters and welfare network

Royal British Legion Industries

Royal Commonwealth Ex-Services League

The Silver Line Helpline

SSAFA Central Office and welfare network

Veterans Aid

ZANE (Zimbabwe A National Emergency)

## Individual and Family Bequests

The OA is especially grateful to all the individuals and families who have made bequests or donations to the charity during the year. Their generosity mirrors faithfully the OA's founding principles and their contributions remain a vital component of the charity's ability to continue to fulfil its purpose.

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## Companies Supporting Employment

The OA acknowledges with thanks the help given by the following companies and Networking Groups whose support has assisted the Employment Department's activities:

### ■ Companies

Balfour Beatty  
Bristol Management Centre  
British Institute of Facilities Management  
Deloitte  
Network Rail  
NHS Digital  
Royal Mail  
Security Cleared Jobs  
Siemens  
Step into Health (NHS Employers)  
Tesco  
Transport for Greater Manchester  
Turner & Townsend  
Virgin Money  
Wellington Management International  
WYG

### ■ Networking Groups

Two Roses networking group  
The Alma networking group  
Onward networking group  
Forces into Health  
Midlands Military Meet (M3)  
North East Officers' Network (NEON)



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)