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# ANNUAL REPORT 2017-18

The Officers' Association  
Report and Financial Statements  
for the year ended 30 September 2018

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## Introduction by the Chairman of the Trustees

2018 saw widespread acts of remembrance and recognition of the sacrifice made by a generation of men and women in the First World War. Vice-Admiral Sir Richard Ibbotson, the Senior President of the Officers' Association, and I were privileged to attend the centenary commemorations of the Battle of Amiens; for me, there could have been no starker reminder of the circumstances which gave rise to the founding of our charity.

Scarcely a community was left untouched by the loss of life. The economic and emotional consequences of the war were devastating. In the absence of a national welfare system, many charities, some already in existence and others newly created, stepped in to help those in need. There was massive unemployment and the Government set up an "Out of Work Donation" scheme, but commissioned officers were excluded from it. Field Marshal Earl Haig recognised the plight of former officers and their families and became the driving force behind the establishment of the Officers' Association (OA).

The OA and its founders were also committed to the formation of a united organisation which would support the interests of Service men and women of all ranks and, once The Royal British Legion was formed in 1921, the OA handed over a sum of money and its fundraising department to support the Legion's work. In return for a proportion of the Legion-raised funds, the OA ceased to make direct public fundraising appeals.

Earl Haig was concerned that former officers should, wherever possible, be helped into employment, not made dependent on a life of financial support. He believed officers were deserving of respect and recognition of the skills they had to offer. He toured the country urging employers to engage veterans. The OA has maintained this approach, by championing the business case for recruiting former Service personnel. The sentiment was echoed at a recent OA event by Air Marshal Michael Wigston, as RAF Deputy Commander Capability, who said that when a country's perception of its Armed Forces slips from pride and understanding to that of sympathy, then we absolutely have a problem.

As you will see from this report, we also continue to offer advice and financial support where needed, through our newly named Grants and Welfare Department. The name change is intended to

**Alex Spofforth**

Chairman of the Trustees



make it clearer what the department does. The service we provide is to listen, assess and then seek ways to improve quality of life where we can. We all have times when we need a helping hand, or a helpful voice, and that is what our team provides.

As I write, The Royal British Legion is reviewing its funding arrangement with the OA which has been in existence, in one form or another, since 1921 and, in 2017-18, provided 57% of our annual income. Whatever the result of the Legion's deliberations, the OA will remain committed to its charitable aims and the debt of honour to those whom the Royal Charter placed in its care.

## Chief Executive Officer's Report

During the centenary year of the founding of the RAF and of the signing of the Armistice, public attention has again been focussed on veterans and their needs. The purpose of the OA and fellow military charities is to ensure those who have served their country are supported when needed. Nobody should fall through our collective net. Collaboration within the military charity sector remains strong, but I believe we can further enhance these relationships to increase our impact on veterans and their families who need support.

We recognise that Service leavers and their dependants can benefit from both our employment and our grants and welfare services. We have, therefore, aligned the two departments under the control of one Operations Director, Nigel Hare. This will ensure we better match our provision across the Charity.

Our employment team continues to build direct relationships with employers. This allows us to offer Service leavers and veterans real career opportunities through job vacancies, work placements, insight days, CV reviews and internships. In 2018-19 we will re-develop the OA jobs board to give employers direct access to candidates and to improve user experience.

These relationships also allow us to shape the employment landscape for Service leavers by raising employers' awareness of the business case for recruiting from the veteran talent pool. The annual OA Employer Recognition Award acknowledges an organisation's commitment to recruiting and retaining veterans. In 2018 the award was given to BT for their national programme of recruitment from across all ranks to a wide selection of roles.

We remain deeply involved with Veterans Work, a research consortium with Deloitte and the Forces in Mind Trust (FiMT) to highlight the potential skills of Service personnel and the commercial benefits to those who recruit them. This partnership has recently examined the correlation between employment opportunities and employee needs, and how the two interact geographically. The research will be shared with the MOD and is intended to complement their Veterans Strategy. The reports can be downloaded at [www.veteranswork.org.uk](http://www.veteranswork.org.uk).

We hear from officers attending OA career consultations of the barriers facing Service leavers aged 50 plus when entering civilian employment.

**Lee Holloway**

Chief Executive Officer



We wanted to explore and better understand the issues involved; we successfully applied for funding from FiMT and are now carrying out research to identify the employment challenges encountered by this age group. This is the first research project of its kind into this demographic and I look forward to reporting on the outcomes once completed.

Although there has been a small decline in the number of people the Grants and Welfare team is assisting, we are administering a slightly higher amount in overall grants. We are encountering increasingly complex and demanding cases where there is no simple solution and extended support is needed. Slightly fewer people have benefitted this year from our regular grants, but more people have sought assistance with professional care costs.

Compliance with the new General Data Protection Regulation (GDPR) has been an important consideration. Its introduction has provided an opportunity, albeit at a financial and staff-time cost, to review our processes and systems to meet the new regulations and protect our clients' personal data. We are satisfied that our beneficiaries and job seekers now know what data we hold about them and how we use it.

To maximise our reach to potential beneficiaries we are reviewing our messaging and branding. We need to be visible and recognisable as relevant to the military community, so that officers and their families are aware of our services and understand how to access them.

As always, we are here for those who need and rely on us today, but also for those who might need us tomorrow.

The Trustees present the annual report and audited financial statements for the year ended 30 September 2018. 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 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 2018 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 14 Trustees, 9 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 (the full Board of Trustees) which, after consideration, proposes them for election at a meeting of the Council. Trustees of the OA who served during 2017-18 are listed on page 46. 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.

## Management: Executive Committee

The Board of Trustees, called the "Executive Committee", is the principal OA committee which directs the policy, finance and operations of the Charity and meets quarterly. 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.
- Grants and Welfare Sub-Committee.** The Grants and Welfare Sub-Committee meets quarterly. It directs Grants and Welfare 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 directs Employment strategy and policy and oversees service delivery.
- Remuneration Sub-Committee.** The Remuneration Sub-Committee meets biannually. It considers and recommends, for FIASC review and Executive Committee approval, changes to remuneration and benefits of all staff.

## Our Services

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 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 1,066 Grants and Welfare cases and supported 5,425 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 47-48.

We work closely with OA Scotland, a separate charity that operates under Scottish jurisdiction, to ensure officers have access to all relevant services.

We are most grateful to all 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.



OA Employment Event

## Achievements

### 1. Advice and Support

We provide advice and financial support to those retired officers and families in need of help. We provide guidance on statutory benefits and other services, and signpost to local and national agencies. This work provides public benefit through relieving distress and raising awareness of the wide range of assistance available through government and charitable channels.

Our services are tailored to the needs of the people we support; each case is managed by a member of our trained and experienced staff.

During the year the Grants and Welfare team dealt with 1,066 (1,107)<sup>1</sup> cases, 389 (403) of which were new. Most of our cases are reviewed on an annual basis.

Our volunteer Honorary Representatives (Hon Reps) submitted 316 case reports following visits this year. Further visits have been carried out by caseworkers from other charities.



A Grants and Welfare team member provides support

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

### 2. Financial Help

Many people who contact us are in financial need. Our aim is to help them by providing grants, ranging from an annual allowance to one-off help for specific household items or unexpected household bills.

#### 2.1 Grants and Allowances

**Total Amount of Grants Made.** A total of £1,383K (£1,369K) has been paid out in grants with 56% (59%) awarded in the form of regular payments. £1,081K (£965K) of those grants came directly from OA funds with the remainder provided through co-operation with other charities.

**Number of Individuals Receiving Grants.** 631 (668) individuals have been supported with grants. Although the number is slightly lower this year, complex needs have sometimes required multiple grants to individuals.

**Care Homes and Care at Home.** 37 (28) individuals have been assisted this year with a top-up grant to help with care home fees, an increase on last year's numbers. We have supported a further 4 (6) people by assisting with the cost of receiving care at home.

#### 2.2 Support Abroad

We support officers and their families wherever they may live, in the UK or overseas. We do this through our own volunteer network and with the help of partner charities. We have supported 111 (118) people abroad with grants, with the largest number, 34 (37) 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 support to our people abroad.

## Delivering Grants and Welfare Services

### 1. Process

Delivering support to those in need is our highest priority. We offer a personalised approach and talk to our beneficiaries to help them overcome difficulties. Each beneficiary has a Grants and Welfare Manager who manages their case.

Our volunteer Honorary Representatives (Hon Reps), mostly former officers themselves, visit individuals at home. Talking to individuals and visiting them at home helps us to gain a better understanding of their unique circumstances and how we can best support them. Where necessary, Hon Reps revisit to undertake an annual review. Need does not always stop after twelve months and we will continue to help as required.

Our process is transparent and consistent to ensure impartiality and financial responsibility:

- An initial assessment of need
- Support during the application process
- Approval of financial support
- 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 as effective as possible with due regard for safeguarding. We follow best practice to ensure our service is professional and centred around our beneficiaries. We adopt a flexible approach when exceptional cases arise because we understand that emergencies can and do happen. Over the past year we have focussed on:

#### 2.1. General Data Protection Regulation (GDPR)

We have worked to ensure we meet the new regulations that came into force in May 2018. We have revised our work processes to ensure that we are collecting, processing and using personal data in compliance with The Information Commissioner's Office (ICO) guidelines. The OA has appointed a Data Protection Officer to support our on-going work.

#### 2.2. Staff Training

The team has completed training on welfare benefits, safeguarding, the care homes assessment process and understanding self-neglect and hoarding behaviours. They have also completed GDPR training.

## Co-operation with other Charities

1. Co-operation with other charities helps us to offer additional support and services to our beneficiaries:

**1.1.** 27% of all grants paid out during the year came from funds provided by other charities.

**1.2.** We received block grants of £58.5K 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 amounted to £302K.

**1.4.** The 389 new cases referred to us came through various channels. 43% came via the Casework Management System (CMS), a computer-based system that enables details of cases to be exchanged among 117 military charities. The remainder came either from self-referrals or directly from other charities, the majority from SSAFA and a significant proportion from the Royal Air Force Association (RAFA), The Royal British Legion (TRBL) and the Royal Commonwealth Ex-Services League (RCEL).

**1.5.** We have been working closely with other Service charities to develop the new CMS platform.

## 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 bungalows on this tranquil two-acre estate are now managed and maintained by Haig Housing. Because of the difficulty in finding eligible residents, Haig Housing is looking to change the charitable objects and selection criteria. The OA remains integral to the process of selecting residents: please contact us if you would like more information.



The Disabled Officers' Garden Homes at Leavesden

## Specialist Advice: Legal, Loneliness and Befriending Services

We provide other services to beneficiaries whose needs may extend beyond that of financial support. We have partnerships with Law Express and Age UK to help meet these needs.

We are reviewing how best to support the isolated and lonely and we are working on a new project to provide a friendship service.

### CASE STUDY

Any marriage breakdown is difficult, but being a military spouse brings its own unique challenges. Becoming homeless in the event of such a breakdown, by no longer being entitled to live in military accommodation, is particularly hard, especially when children are involved.

One of our beneficiaries found herself in this situation. Having separated from her husband, and with two young children under the age of 5, she moved in with her parents so that she had support and practical help. She was finally offered a house by the local housing association and needed our help with the rent deposit and purchasing essential household items. The family is now happily settled in their new home.

## Our Focus through 2017-18

### 1. Increasing Awareness of Services

With support from the marketing team, we developed a campaign to raise awareness of our Grants and Welfare services. The film we produced was popular on social media, allowing us to reach nearly 114,000 users with over 1,670 likes on Facebook.

The OA helped Bryony, a former RAF officer, regain her independence after breaking her neck and back. Bryony agreed to tell her story in a video to highlight how the OA helped her with advice and support. The film can be viewed at: [www.officersassociation.org.uk](http://www.officersassociation.org.uk).

**Moving ahead in 2019:** Building on the success of Bryony's story, we intend to produce a second film to continue to raise awareness of our work and a series of short videos to highlight specific aspects of our services.

### 2. Assessing Impact

We are continuing to develop use of the Independence Star™<sup>2</sup> to measure and evaluate the impact of our services on beneficiaries.

**Moving ahead in 2019:** Assessing impact and measuring and evaluating our services will be a priority next year. This will allow us to ensure we are meeting needs and will shape the ongoing development of services.

### 3. Developing the Honorary Representative Network

The OA could not deliver the individual service to our beneficiaries without the help of our Hon Reps. We now have 121 (130), a small reduction from the previous year.

We again held regional meetings to engage with the Hon Reps, to update them on our work and to deliver training in data protection and safeguarding.

**Moving ahead in 2019:** We have reviewed the communication process with our Hon Reps and will be improving the security of data exchange with our customer relationship management database.

<sup>2</sup> The Independence Star is a trademarked impact measuring tool.

### 4. Lady Grover's Fund

Lady Grover's Fund (LGF) is a Friendly Society which 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 already worked together for many years.

Through an agreement between OA Advance Ltd and LGF the Grants and Welfare Department now administers the day-to-day membership and claim handling operations of LGF under the direction of their executive board.

**Moving ahead in 2019:** The Grants and Welfare team will continue to consolidate their training and work through the new processes. The planned digitisation of LGF's processes will make administering the services more efficient.

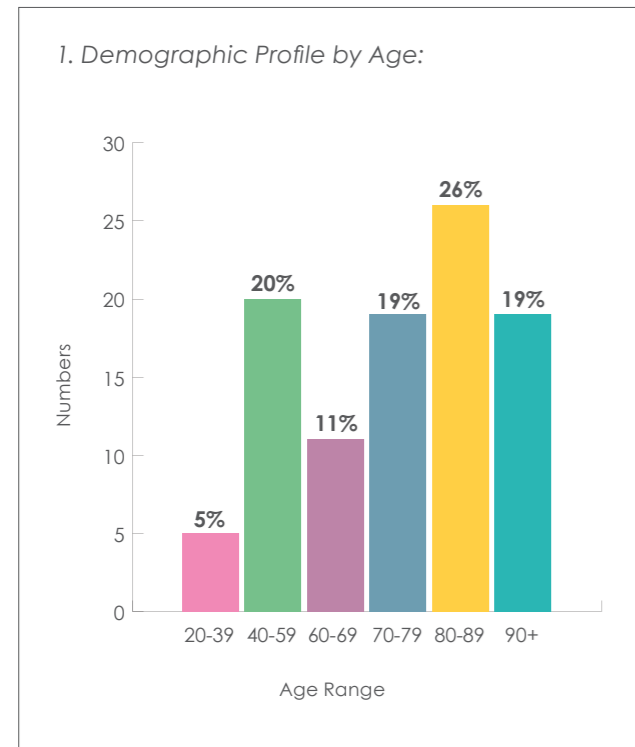


Bryony with Honorary Representative visitor Tim

## Analysis of Support

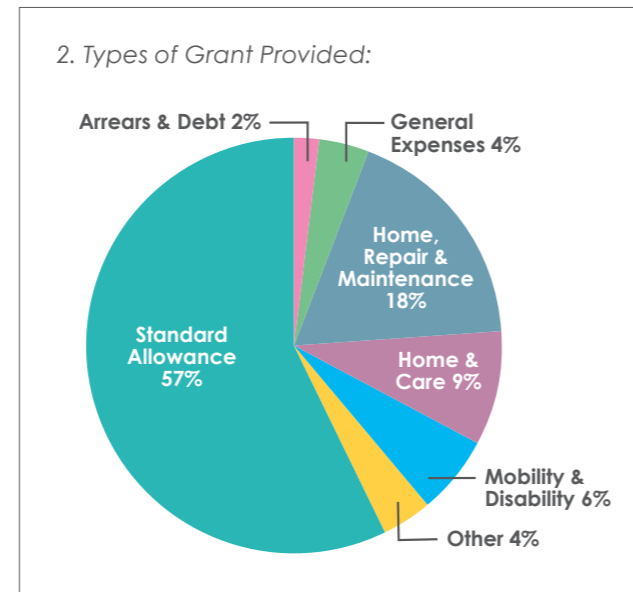
### 1. Demographic Profile

The proportion of people we help aged between 40 to 89 has increased to 76% (74%) and the number of people aged over 90 is slightly lower at 19% (20%).



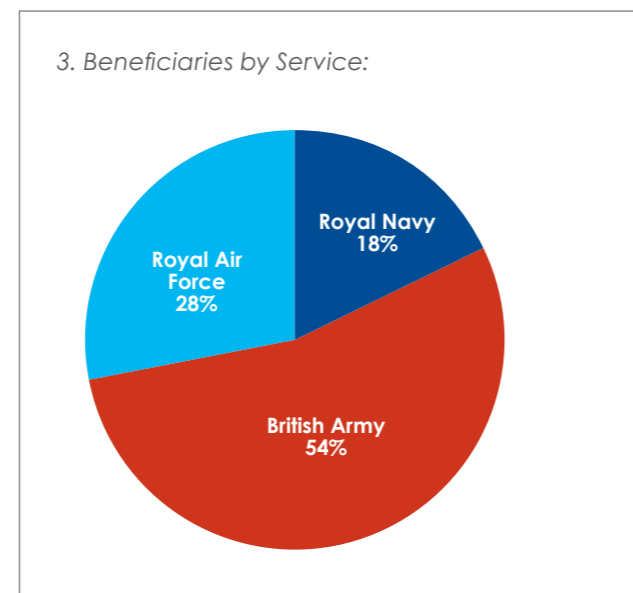
### 2. Types of Grant Provided

The majority, 57%, of grants provided has been in the form of a regular standard allowance, a slight reduction on last year (59%).



### 3. The Three Services

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



## Achievements

In 2017-18, 5,425 (4,782) unique job seekers used OA Employment Services.

We have provided direct support to Service leavers as often as needed by:

- Building their knowledge and providing sector insight
- Encouraging connections via networking
- Highlighting jobs and other opportunities, such as work placements and training.

We continue to enhance career opportunities through:

- Engagement with employers and recruiters to underline the value of employing veterans
- Work with businesses in establishing internal programmes to support the recruitment and retention of Service leavers
- Collaboration and influence with Parliament, the MOD (Ministry of Defence) and other stakeholders who see the value of employing veterans.

This work provides a wider public benefit by helping to ensure that the investment made in officers is capitalised on by civil society.

## Our Focus through 2017-18

**1. Digital delivery:** We recognise the value of delivering core elements of OA Employment Services across digital platforms. It gives our audiences access to these services no matter where they live or serve. Changes in staff and in data protection law have given us an opportunity to evaluate and re-prioritise these services.

Highlighting and delivering sustainable job opportunities to Service leavers are key priorities for the team. We have focussed on how best to improve the jobs board and make it easily accessible by both employers and Service leavers. The next online careers fair has been deferred until we have updated the OA Executive Jobs Board.

Work on the self-analysis tool has progressed, but is not yet complete. The project is scheduled for roll-out during 2019.

The full potential of the Employment App has not yet been realised; self-booking of career consultations was introduced in March 2018 but further substantial technical work was required to maintain the App and meet GDPR requirements. The App has been downloaded 652 times during the year with 2,502 downloads since its launch in 2016.

Social media remains a valuable channel for the OA to extend its reach but with changes to Facebook and concerns around data usage, we have not adopted Facebook Live as widely as planned. Instead, we have focussed on content delivery, video, podcasts and YouTube to help deliver insights to our audiences.

**2. Networking and Communities:** The OA has facilitated the development of 7 regional veteran networks, particularly in the North of England, and has hosted 5 events to support them. We have also supported sector-wide networking through the **Forces into Health** and **Forces into Rail** programmes.

**3. Employer Engagement:** The shift in balance from OA-led events to events organised by employers, with OA support, has continued. The OA facilitated 12 recruitment workshops during the year with content covering CV reviews, practice interviews and recruitment process advice.

**4. Employment Leadership Agenda:** The OA has retained its momentum as a leading influence in the military employment area through the 'Military is Good for Business' campaign. The OA now has a package of support for employers designed to help them recruit and retain Service leavers. Two showcase events were held during the year, one in London and one in Newcastle, and three workshops have also been delivered.

**5. Employment Research:** The OA has also sought to influence the sector through research. Work has progressed on the 'Understanding 50+ Service Leavers' project. We continued to collaborate with Deloitte and Forces in Mind Trust (FiMT) on the second research report of the Veterans Work Project. This will help UK businesses gain a detailed understanding of veterans and provide veterans with a tool to benchmark salary expectations and highlight areas of employment opportunities.



*Nigel Hare, Operations Director, addresses the Officers' Careers Forum*

## CASE STUDY

Antony Thompson saw active service in Afghanistan during his time as a Royal Marine but injury forced him to undertake administrative roles as a Lieutenant, before he received a medical discharge in April 2017. Having not planned to leave the Royal Marines so early in his career, Antony approached the OA for support in finding a new civilian career.

The OA career consultation he received gave Antony the support he needed to approach his job hunting successfully. Antony attended several OA networking events, and was pleased to meet other former officers facing similar challenges.

Antony met a Capita employee who recommended that he apply for a position at the company and was subsequently hired as a Management Consultant, with a focus on project management. He has now passed probation, and is gaining vital private sector experience in a role he finds fulfilling.

Antony said: "The OA helped me to realise that networking is vital for building a new career. There is no substitute for meeting people in real life. Building a strong network keeps you on the pulse of the latest career trends."

## Delivering Employment Services

### 1. Support to Service leavers and veterans

We have provided direct support to Service leavers and veterans at various stages in their civilian career through:

**1.1 Career Consultations:** OA Career Consultants have continued to provide tailored advice to job seekers, including CV writing, job interview techniques, career profiles, job application reviews and industry sector insights. There have been 1,125 career consultations and CV/LinkedIn reviews, helping 644 job seekers. 49% of those attending consultations do so having been told about our services by friends or colleagues; 24% come to us via the Career Transition Partnership (CTP).

**Moving ahead in 2019:** Research to support the development of a tool which would enable job seekers to assess their preparedness to seek a new career or new role and to identify the support and training they need.

**1.2 Networking:** With some 70% of OA clients finding their next role through this process, networking is an essential element of OA Employment Services. The OA has a unique network of 624 contacts, in a wide range of employment fields, prepared to give advice.

The OA participated in a number of networking events including 4 with the NHS and 2 with the ONWaRD network (an informal regional group). We organised a careers access day, workshops, 2 symposia (see below) and an evening with Rory Underwood in Bristol. We also ran 7 LinkedIn workshops around the country.

**1.3 Employment Symposia:** The symposia enable job seekers to meet HR and recruiting consultants, employers and other job seekers and to hear experts, in many cases former officers themselves, talk about opportunities in a variety of sectors. The main symposium was held in London in December 2017 and attracted 124 attendees and 21 employers. A second event was held in York in July 2018, with 58 attendees and 19 employers.

**Moving ahead in 2019:** Further survey-based reports are planned to assess the effectiveness of various Employment workshops and events.

**1.4 Executive Jobs Board:** The OA's in-house jobs board advertises job roles suited to an officer's skill-set and experience. During the year the site has posted 1,110 (938) jobs.

**Moving ahead in 2019:** Work is expected to commence on the delivery of a mobile optimised jobs board with direct employer access to help improve job opportunities for Service leavers and strengthen our employment partnerships.

**1.5 Careers Pathway Workshops:** Organised with the help of employers, these workshops focus on specific roles such as cyber, consultancy, project management and financial services. 4 have been delivered in the year.

**Moving ahead in 2019:** We intend to increase the number of these specific sector workshops tailored to feedback.

Present metrics are based primarily on measuring activity not outcome or impact. New technology, including the proposed new jobs board, will be used to rebalance the measurement of success.



*Rory Underwood addresses event attendees*



## 2. Engagement with employers

**Insight Days and Employer Workshops:** The OA ran 20 events in total (12 insight days and 8 workshops). These events were designed to inform HR/recruiting managers and their teams about veteran skills and experiences.

### 3. Collaboration and influence in the military employment area:

**3.1 Veterans Work:** As part of this programme, the OA ran a showcase event in Newcastle to highlight the research carried out in conjunction with Deloitte and FiMT.

**3.2 Cobseo Employment Cluster:** As a member, the OA exchanges advice, guidance and best practice on veteran recruitment.

**Moving ahead in 2019:** The OA will be seeking closer collaboration with other key providers in the military employment area, particularly Defence Relationship Management (DRM) and the Careers Transition Partnership (CTP).



Attendees engage with a speech at an OA event

# Raising our Profile

Having operated for almost one hundred years and with a strong legacy and patronage, we have evolved our brand and messaging to help extend our reach.

Our aim is to raise awareness of the Officers' Association's value in the critical period of transition from military to civilian life and to help officers understand that we exist to support not just them, but their families. We have worked throughout the year to communicate the right messages across the many touch points we have developed with officers, their families and the military community.

Underlying this communications drive is our desire to reach officers and their dependants earlier in their military careers. The higher turnover of serving officers forecast to leave the Armed Forces will increase the need for services around transition and we have already identified the need to reach retired officers before their needs become acute.

## Achievements

- We have increased the OA's social media presence through active engagement with relevant audiences with increasingly varied content, designed to inform and appeal. The Royal Military Academy Sandhurst promoted the OA's successful video interview with Sophie Faldo (former Army Captain and Great British Bake Off winner)
- Improvements in our website content and navigation have delivered a 9% increase in visitors from last year and a 25% increase in the number of times visitors accessed the site
- Appointing a specialist media agency has enabled us to deliver our messaging via industry press: Personnel Today, Onrec, The HR Director and Business Matters
- National press coverage further raised our profile. The Financial Times interviewed Rory Underwood following an OA networking evening in Bristol
- The Veterans Work Roadshow in Newcastle, garnered strong regional coverage in support of the event and its key messages

- Sponsoring key events during the year has allowed us to engage directly with Service personnel. The Inter-Services Triathlon received widespread media coverage; this, together with our Royal Navy Cricket Sponsorship and support for Little Troopers Summer Camp, for serving families' children, has maintained our profile
- In-house content generation allows us to 'tell' rather than 'sell' the breadth of what we deliver; we contribute a monthly article to Pathfinder (Services transition magazine: readership 70,000), and share these insights across OA social media and website channels
- Contributed to the Confederation of Service Charities (Cobseo) newsletters and worked with other military charities, including Veterans Gateway, to deliver consistent messaging.

## Our focus through 2018-19

- Continue to raise our profile and improve our external communications to raise awareness of OA services
- Further develop our communications to employers to ensure they understand our purpose and aims
- Deliver a refreshed website, optimised for mobile devices, to give easier and effective access to our services
- Review OA branding
- Leverage OA published research to help shape external perceptions of veterans.

# Supporting OA Services

## Achievements

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 - Data Protection

The OA devoted considerable time and effort to update our existing data protection practices to bring them in line with General Data Protection Regulation 2016 (GDPR) and the Data Protection Act 2018 which both came into force in May 2018.

Focussing on the first principle of GDPR that personal data processing shall be fair, lawful and transparent, we reviewed the data we hold and established the legal basis for doing so. We contacted beneficiaries and e-mail recipients where their consent was needed and issued new privacy notices to make it clear to all our clients what we do with their data and what their rights are. We also revised our data protection policies and business processes, and amended contracts with organisations with whom we share our data. We shall continue to track the data we hold, understand the reasons for keeping it and delete or anonymise where it is no longer needed.

The OA has a qualified Data Protection Officer to provide advice on compliance with current regulations and on best practice in collecting, storing and using personal data.

### 2. Technical Support

The OA aims 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:

- A major project to modify our customer relationship management (CRM) system in order to support our compliance with the new rules and processes introduced as a result of GDPR
- Enhancements to our IT security in order to combat the evolving cyber threat

- The upgrade of our mobile phone systems
- Centralising and enhancing our project management capability. This has enabled us to plan and deliver major projects on behalf of the service delivery departments (such as enabling job seekers to self-book career consultations and other one-to-one employment services).

### 3. Research

We undertake evidence-based research on which to base the development and delivery of our services. The OA has a full-time Research Manager who both manages and conducts discrete research projects across departments.



OA running a LinkedIn Workshop

# Financial Review

## 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 Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the "going concern" basis unless it is inappropriate to presume that the Charity will continue in operation.

**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. 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.

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.

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## Highlights from the Accounts

We currently 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 £615K (2017: £846K). There was, however, a net gain on investments of £160K (2017: £1,105K) on the investment portfolio. The net movement in funds was a decrease of £455K (2017: an increase of £259K) resulting in our funds standing at £17,458K (2017: £17,913K).

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

- **Poppy Appeal.** Of the £3,491K (2017: £3,250K) income accounted for, £1,998K (2017: £1,950K) came from the Poppy Appeal Street Collection. £149K of this figure was a balancing payment from the previous year's Poppy Appeal collection. We anticipate receiving a balancing payment by May 2019. We thank The Royal British Legion (TRBL), our principal funder, for this contribution.
- **Investment Income.** A total income of £647K (2017: £652K) was received this year from investments. We invest on a total return basis and sell fund units when necessary to supplement dividend income.
- **Restricted Income.** We received £476K (2017: £444K) 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. Other restricted income included a grant of £115K from Forces in Mind Trust to fund research to identify the transition challenges and barriers that all ranks of Service leavers aged 50 plus face when entering civilian employment.
- **Sale of Shares.** In line with our budget to operate at a deficit, £750K (2017: £750K) of shares from our investments were sold to fund activities.
- **Legacies.** Legacy income received this year was £290K (2017: £127K). This includes an estimate of £100K from a legacy bequeathed to the OA which has yet to be realised.

**Expenditure.** Our expenditure this year of £4,106K (2017: £4,096K) shows a marginal increase of 0.2% on the previous year's figure. Of this amount, Grants and Welfare grants awarded and paid out in the year were £1,383K (2017: £1,369K), a marginal increase of 1% on the previous year's figure.

**Career Transition Partnership.** The OA continues to support the Career Transition Partnership (CTP) which provides resettlement services to the MOD. The OA now does this on an unpaid basis because 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 which we review on an annual basis. We have decided to keep the unrestricted reserves target unchanged at £10M this year until the new funding agreement with TRBL is finalised, as an acknowledgment of the funding risk we are currently encountering. £10M is equivalent to just under two and a half years of current annual expenditure.

Our unrestricted reserves currently stand at £13,852K (2017: £14,346K) which is £3,852K (2017: £4,346K) above the reserves target. A strategy to operate at a deficit has been in operation over the last four years to bring the reserves level in line with the reserves target. Unrealised investment gains over the previous three years have resulted in the reserves increasing or staying the same and this is the first year, since the strategy to operate at a deficit was implemented, where reserves levels have decreased.

The unrestricted reserves target was based on:

- **Mitigating any loss of income from TRBL.** The income from TRBL is variable, as it has been dependent on the Poppy Appeal Street Collection, and the £1,998K received in 2017-18 represented 57% of our total income. The five-year payment agreement between The Royal British Legion and the OA expired on 12 March 2017 and was extended by two years until March 2019. Negotiations between the OA and TRBL are ongoing with the new agreement likely to be both lower and less certain than in previous years. Consequently we believe it prudent to maintain our reserves target at £10M to enable the OA to continue delivering services to its beneficiaries whilst alternative arrangements are put in place.
- **Uncertainties in the value of and income from investments.** Investment income currently represents 19% of our total income. The value of the investment portfolio is subject to fluctuation along with the investment income it produces. In addition, investments are being sold to fund the deficit resulting in a reduction in actual investment income received.
- **Office accommodation.** The cost of head office accommodation at Mountbarrow House, London, is a large part of support costs. The cost of vacating this accommodation in 2024-25, at the end of the current lease, and either buying or renting new office facilities 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 Grants and Welfare 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.

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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 to split out operational risk from strategic risks to allow clearer oversight. It is acknowledged that operational risks such as breaches in data protection and cyber security could still have a significant impact on the OA. The management of these risks is largely process orientated. Strategic risk, conversely, cannot be managed in this way and therefore needs to be highlighted and managed in a different way.

The main strategic risks are:

- **Loss or reduction of funding.** The Trustees consider loss of funding to be the Charity's primary risk; alternative funding is being explored. The amount of funds held in reserves reflects the current uncertainty around funding.
- **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. We have maintained the OA's marketing capability to support outreach events and an increased social media presence. 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 this feedback to further improve services.

The main operational risks are:

- **Data Protection.** A serious data protection breach or failure could significantly compromise our ability to deliver our services. Prior to the introduction of the General Data Protection Regulation (GDPR) in May 2018 we took steps to ensure that our data protection arrangements would be compliant. We updated our GDPR related policies, including our Privacy Policy and created a suite of privacy notices. Changes were made to our data sharing agreements, business processes and IT systems (in particular to Salesforce) to incorporate the new GDPR requirements.

To mitigate the loss of data by human error, malicious acts or cyber attack, we are constantly reviewing our systems, training and procedures. All staff have been and will continue to be trained to comply with the requirements of GDPR. We are introducing compulsory training for our volunteers. Our Data Protection Officer is professionally qualified and will continue to advise across the organisation to ensure we protect the personal data we hold and minimise any risk to our reputation and trust in the Charity.

- **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 unauthorised access. We introduced annual information security training to all staff and improved security for remote connection to the OA network in 2017-18. We are taking steps to enhance security for staff using their own personal devices. A project will also take place in 2018-19 to review and potentially replace the remote desktop services and file servers to enhance security further.

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## Fundraising Policy

Successive agreements with The Royal British Legion since 1921 gave the OA a proportion of TRBL annual income in return for refraining from fundraising. A similar five year agreement was signed in 2012 and extended by a further two years to 2019 when the OA will review its fundraising policy.

## 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 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 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.

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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 13 February 2019

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 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>INCOME FROM:</b>						
<b>Donations and legacies</b>						
The Poppy Appeal		1,998	-	-	1,998	1,950
Other donations and legacies		334	59	-	393	281
<b>Charitable activities</b>						
Grants and Welfare activity		-	302	-	302	337
Employment activity		-	115	-	115	25
<b>Investments</b>						
		480	-	167	647	652
<b>Other trading activity</b>	15	36	-	-	36	5
Total Income		2,848	476	167	3,491	3,250
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>						
Grants and Welfare department	7	(2,139)	(374)	-	(2,513)	(2,434)
Employment department	7	(1,580)	(11)	-	(1,591)	(1,662)
Trading activity		(2)	-	-	(2)	-
Total Expenditure		(3,721)	(385)	-	(4,106)	(4,096)
<b>Net (expenditure)/income and net movement in funds before gains/(losses) on investments</b>						
		<b>(873)</b>	<b>91</b>	<b>167</b>	<b>(615)</b>	<b>(846)</b>
Net gains/(losses) on investments	14	212	-	(52)	160	1,105
<b>Net (expenditure)/income</b>		<b>(661)</b>	<b>91</b>	<b>115</b>	<b>(455)</b>	<b>259</b>
Transfers between funds	18	167	-	(167)	-	-
<b>Net movement in funds</b>		<b>(494)</b>	<b>91</b>	<b>(52)</b>	<b>(455)</b>	<b>259</b>
Reconciliation of funds: Funds brought forward		14,346	53	3,514	17,913	17,654
<b>FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2018</b>		<b>13,852</b>	<b>144</b>	<b>3,462</b>	<b>17,458</b>	<b>17,913</b>

The notes on pages 27-42 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 2017 are shown in note 24.

# Balance Sheets

AS AT 30 SEPTEMBER 2018

	Notes	2018 Group £'000	2017 Group £'000	2018 Charity £'000	2017 Charity £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	34	42	34	42
Investments	14	16,063	16,653	16,063	16,653
Total Fixed Assets		16,097	16,695	16,097	16,695
<b>CURRENT ASSETS</b>					
Debtors	16	1,085	1,137	1,108	1,140
Cash at bank and in hand		766	617	742	612
Total Current Assets		1,851	1,754	1,850	1,752
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	17	(490)	(536)	(490)	(535)
<b>NET CURRENT ASSETS</b>		1,361	1,218	1,360	1,217
<b>NET ASSETS</b>		<b>17,458</b>	<b>17,913</b>	<b>17,457</b>	<b>17,912</b>
<b>FUNDS</b>					
Unrestricted funds	18	13,852	14,346	13,851	14,345
Restricted funds	18	144	53	144	53
Permanent endowment	18	3,462	3,514	3,462	3,514
<b>TOTAL FUNDS</b>		<b>17,458</b>	<b>17,913</b>	<b>17,457</b>	<b>17,912</b>

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

on 13 February 2019

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 2018

	Note	2018 Group £'000	2017 Group £'000
<b>Cash (outflow) from operating activities</b>	23	(1,241)	(1,447)
<b>Cash flows from investing activities</b>			
Sale of investments	14	750	750
Investment income		647	652
Purchase of tangible fixed assets	10	(7)	-
<b>Cash provided by investing activities</b>		1,390	1,402
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		149	(45)
Cash and cash equivalents at the beginning of the year		617	662
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>766</b>	<b>617</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 1. Accounting Policies

1.1. **Statutory information.** The Officers' Association 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 2018

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.

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

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 18.
- **Endowment Funds.** Endowment funds comprise The Officers' Association Permanent Endowment Fund. Further details are shown in note 18. 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	2018 £'000	2017 £'000
Poppy Appeal	1,998	-	1,998	1,950
Legacies	290	-	290	127
Other donations	44	59	103	154
	<u>2,332</u>	<u>59</u>	<u>2,391</u>	<u>2,231</u>

- Legacies accrued in the accounts are estimated at £100,000.
- The income from The Royal British Legion's Poppy Appeal includes a balancing figure of £149K from the 2016 Poppy Appeal. An estimate of the balancing figure from the 2017 Poppy Appeal has not been included.

## 3. Future Income

The current agreement with The Royal British Legion that they pay a percentage of the net Poppy Appeal Street Collection income to the OA will expire in March 2019 and negotiations between the OA and TRBL are ongoing. The future five-year payment agreement appears unlikely to be linked to the Poppy Appeal and it is anticipated that the OA will receive a fixed amount for the duration of the future agreement which will be lower than the sums received in previous years. Beyond this period the OA will be required to bid for funding from TRBL alongside other Service charities; alternative sources of income are being explored.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 4. 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% (2017: 0.40%) and for the M&G managed Charifund and Charibond investments is reported as 0.54% and 0.36% respectively (2017: 0.46% and 0.30%).

## 5. Parent Charity

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

	2018 £'000	2017 £'000
Gross income	3,692	3,468
Results for the year	<u>(455)</u>	<u>259</u>

## 6. Staff Costs

Staff costs were as follows:

	2018 £'000	2017 £'000
Salaries and wages	1,372	1,328
Redundancy and termination costs	23	-
Employer's National Insurance contribution	140	132
Employer's contribution to defined contribution pension schemes	119	102
Other forms of employee benefits	3	2
Temporary staff	12	9
	<u>1,669</u>	<u>1,573</u>

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

The full time equivalent numbers of employees was 34 (2017: 32)

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

	2018 No.	2017 No.
£60,000 - £69,999	-	2
£70,000 - £79,999	1	-
£100,000 - £109,999	1	1

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £366,253 (2017: £330,590).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 7. Analysis of Resources Expended By Activity

	Charitable activities				2018 Total	2017 Total
	Grants and Welfare costs £'000	Employment costs £'000	Governance costs £'000	Support costs £'000	£'000	£'000
Staff costs (note 6)	461	624	-	584	1,669	1,573
Staff travel and subsistence, training & development, and HR costs	25	70	-	52	147	128
Grants payable to beneficiaries	1,383	-	-	-	1,383	1,369
Grants payable to other institutions	25	25	-	-	50	20
Service delivery costs	17	105	-	-	122	156
Accommodation costs	-	-	-	223	223	210
IT costs	31	34	-	34	99	116
Marketing and communication costs	25	106	-	81	212	212
Project costs	-	13	-	1	14	150
Office costs	3	1	10	35	49	37
Legal costs	-	-	15	-	15	15
Trustee costs	-	-	11	-	11	9
Auditor fees	-	-	17	-	17	12
Auditor non-audit fees	-	-	5	-	5	-
Irrecoverable VAT	-	-	-	88	88	89
Trading activity	-	2	-	-	2	-
	<u>1,970</u>	<u>980</u>	<u>58</u>	<u>1,098</u>	<u>4,106</u>	<u>4,096</u>
Support expenditure	516	582	-	(1,098)	-	-
Governance	27	31	(58)	-	-	-
Total Expenditure 2018	<u>2,513</u>	<u>1,593</u>	<u>-</u>	<u>-</u>	<u>4,106</u>	<u>4,096</u>
Total Expenditure 2017	<u>2,434</u>	<u>1,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,096</u>



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

	2018 £'000	2017 £'000
This is stated after charging:		
Depreciation	15	13
Operating lease rentals:		
Property	249	240
Auditor's remuneration (excluding VAT):		
Audit	14	12
Audit - prior year	3	-
Other services	5	-

## 9. Grant making

	Grants to institutions £'000	Grants to beneficiaries £'000	2018 £'000	2017 £'000
<b>Cost</b>				
Grants and Welfare grants	25	1,383	1,408	1,389
Employment grant	25	-	25	-
At the end of the year	50	1,383	1,433	1,389

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 Grants & Welfare 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 Grants & Welfare Department as a whole. Full costs of the Grants & Welfare Department can be seen at note 7.

The Employment Department has contributed to the Veterans Work Project. The partnership, consisting of FiMT, the OA and Deloitte, conducted a study to understand the employment landscape for Service leavers. Service leavers were asked to contribute their views and experiences to help build a data map on which the report was based.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 10. Tangible Fixed Assets

	Leasehold Improvements £'000
Cost:	
At 1 October 2017	69
Additions	7
At 30 September 2018	76
Depreciation:	
At 1 October 2017	27
Charge for the year	15
At 30 September 2018	42
<b>Net book value</b>	
<b>At 30 September 2018</b>	<b>34</b>
At 30 September 2017	42

## 11. Staff Pension Scheme

The OA provides a voluntary, contributory group personal pension scheme which is insured with Royal London. There were 32 members of this scheme. Contributions paid by the OA in the year amounted to £119K (2017: £102K). 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 7 (2017: 8) members of this scheme.

## 12. Trustees

No Trustee received any remuneration. 13 Trustees (2017:12) were reimbursed expenses incurred for travel and accommodation. In 2018 this amounted to £11,436 (2017: £9,442). 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.

## 13. Related Party Transactions

Major General M J Rutledge CB OBE, a trustee of the OA, is also a Director of the Armed Forces Common Investment Fund in which £10,968K (2017: 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 £223K (2017: £192K).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 14. Investments

	Value at 1 Oct 2017	Proceeds on disposal	Realised gain/ (loss)	Unrealised revaluation gain (loss)	Value at 30 Sep 2018	Historical cost at 30 Sep 18
	£'000	£'000	£'000	£'000	£'000	£'000
<b>THE GROUP AND CHARITY</b>						
Armed Forces Common Investment Fund	11,477	(750)	(7)	248	10,968	9,018
M&G Charifund	4,839	-	-	(71)	4,768	3,593
M&G Charibond	306	-	-	(10)	296	300
<b>Total Managed funds</b>	<b>16,622</b>	<b>(750)</b>	<b>(7)</b>	<b>167</b>	<b>16,032</b>	<b>12,911</b>
Programme investments*	31	-	-	-	31	31
<b>Total investments</b>	<b>16,653</b>	<b>(750)</b>	<b>(7)</b>	<b>167</b>	<b>16,063</b>	<b>12,942</b>

\* Programme Investments are secured and unsecured loans to beneficiaries for capital expenditure. The balance at 30 September 2018 consisted of 5 (2017: 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 (2017: nil).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 15. 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).

	2018	2017
	£	£
<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:

	2018	2017
	£	£
Turnover	35,998	5,229
Grant from OA to OA Advance Ltd	203,205	218,111
Total income	229,203	223,340
Cost of sales	(237,053)	(219,489)
Gross profit	2,150	3,851
Administrative expenses	(2,150)	(3,476)
Operating profit	-	375
Corporation tax	-	(75)
Net profit for the year	-	300
The aggregate of the assets, liabilities and funds was:		
Assets	36,353	6,729
Liabilities	(34,998)	(5,374)
Funds	1,355	1,355

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 16. Debtors

	The Group		The Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	(3)	2	(3)	2
Amount due from subsidiary undertaking	-	-	35	5
Other debtors	28	31	28	31
Accrued investment income	98	102	98	102
Accrued Poppy Appeal income	850	1,000	850	1,000
Other Accruals	112	2	100	-
	<u>1,085</u>	<u>1,137</u>	<u>1,108</u>	<u>1,140</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 17 below.

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

	The Group		The Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	1	4	1	3
Grant commitments payable	333	375	333	375
Taxation and social security	42	38	42	38
Accruals	114	119	114	119
	<u>490</u>	<u>536</u>	<u>490</u>	<u>535</u>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 18. 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>	3,514	167	-	(52)	(167)	3,462
<b>Restricted Funds</b>						
Home of Devenish <sup>1</sup>	-	50	(50)	-	-	-
Sandhurst Trust <sup>2</sup>	1	9	(8)	-	-	2
Seafarers UK <sup>3</sup>	19	0	(6)	-	-	13
Grants and Welfare co-operation <sup>4</sup>	-	302	(302)	-	-	-
Forces in Mind Trust <sup>5</sup>	-	115	(11)	-	-	104
ABF The Soldiers' Charity <sup>6</sup>	25	0	-	-	-	25
Royal Engineers Officers' Widows Society (REOWS) <sup>7</sup>	8	0	(8)	-	-	-
<b>Total Restricted Funds</b>	<u>53</u>	<u>476</u>	<u>(385)</u>	<u>-</u>	<u>-</u>	<u>144</u>
<b>Unrestricted Funds</b>	<u>14,346</u>	<u>2,848</u>	<u>(3,721)</u>	<u>212</u>	<u>167</u>	<u>13,852</u>
<b>Total Funds</b>	<u>17,913</u>	<u>3,491</u>	<u>(4,106)</u>	<u>160</u>	<u>-</u>	<u>17,458</u>

- Home of Devenish: For the purpose of providing grants to widows of former officers who belong to the Church of England.
- Sandhurst Trust: For the purpose of providing grants to former Army officers.
- Seafarers UK: For the purpose of providing grants to former officers of the RN, RM and QARNNS.
- Grants and Welfare co-operation: For the purpose of providing grants to specific beneficiaries.

- Forces in Mind Trust: Funding to identify the transition challenges and barriers that all ranks of Service leavers aged 50 plus face when entering civilian employment.
- ABF The Soldiers' Charity: Funding the development of a Self Analysis Tool.
- 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 2018

## 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<sup>†</sup>, 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.

<sup>†</sup> 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 2018

## 19. 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>	3,315	160	-	199	(160)	3,514
<b>Restricted Funds</b>						
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
Grants and Welfare 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 Grants and Welfare 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 a Self Analysis Tool.

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 2018

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

Group	Investments	Fixed Assets	Cash	Net Current Assets	Total
	£'000	£'000	£'000	£'000	£'000
<b>OA Permanent Endowment Fund</b>	3,462	-	-	-	3,462
<b>Restricted funds</b>	-	-	144	-	144
<b>Unrestricted</b>					
General	12,570	34	622	595	13,821
Programme Investments	31	-	-	-	31
Total Unrestricted	12,601	34	622	595	13,852
<b>Total</b>	<b>16,063</b>	<b>34</b>	<b>766</b>	<b>595</b>	<b>17,458</b>

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

Group	Investments	Fixed Assets	Cash	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	13,108	42	564	601	14,315
Programme Investments	31	-	-	-	31
Total Unrestricted	13,139	42	564	601	14,346
<b>Total</b>	<b>16,653</b>	<b>42</b>	<b>617</b>	<b>601</b>	<b>17,913</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 22. Operating Lease Commitments

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

	Property	
	2018	2017
	£'000	£'000
<b>Leases which expire:</b>		
Within one year	31	35
Within two to five years	7	-
	<u>38</u>	<u>35</u>

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

	2018	2017
	Group	Group
	£'000	£'000
<b>Net (expenditure)/income for the year</b>	<b>(455)</b>	<b>259</b>
Depreciation charge	15	14
(Gains) on investments	(160)	(1,105)
Investment income	(647)	(652)
Decrease in debtors	52	46
(Decrease) in creditors	(46)	(9)
<b>Cash outflow from operating activities</b>	<b>(1,241)</b>	<b>(1,447)</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 24. Comparative Consolidated Statement of Financial Activities (2017)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>					
The Poppy Appeal		1,950	-	-	1,950
Other donations and legacies		199	82	-	281
<b>Charitable activities</b>					
Grants and Welfare activity		-	337	-	337
Employment activity		-	25	-	25
<b>Investments</b>					
		492	-	160	652
<b>Other trading activity</b>	15	5	-	-	5
<b>Total Income</b>		2,646	444	160	3,250
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Benevolence department	7	(2,000)	(434)	-	(2,434)
Employment department	7	(1,662)	-	-	(1,662)
<b>Total Expenditure</b>		(3,662)	(434)	-	(4,096)
<b>Net (expenditure)/income and net movement in funds before gains/(losses) on investments</b>		<b>(1,016)</b>	<b>10</b>	<b>160</b>	<b>(846)</b>
Net gains on investments	14	906	-	199	1,105
<b>Net income/(expenditure)</b>		<b>(110)</b>	<b>10</b>	<b>359</b>	<b>259</b>
Transfers between funds	18	160	-	(160)	-
<b>Net movement in funds</b>		<b>50</b>	<b>10</b>	<b>199</b>	<b>259</b>
Reconciliation of funds:					
Funds brought forward		14,296	43	3,315	17,654
<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>

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

## Opinion

We have audited the financial statements of the Officers' Association ('the parent charity') for the year ended 30 September 2018 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 and parent charity's affairs as at 30 September 2018 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 (Accounts and Reports) Regulations 2008 require 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
- 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

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
- 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.

## Use of our report

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.

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## SIGNED IN THE ORIGINAL

Date: 15 February 2019

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

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

**Patron:** Her Majesty The Queen

## Presidents:

Air Chief Marshal Sir Clive Loader KCB OBE (until March 2018)  
Vice Admiral Sir Richard Ibbotson KBE CB DSC DL  
Lieutenant General Andrew Figgures CB CBE FREng  
Air Marshal Sir Baz North KCB OBE MA FRAeS (appointed March 2018)

## Vice-Presidents:

P B Mitford-Slade OBE  
J D M Fisher Esq OBE  
A J Spofforth Esq BA FCA  
Mrs J R Lynch (appointed March 2018)

## Trustees:

### Chairman, Executive Committee

A J Spofforth Esq BA FCA

### Members of the Executive Committee

Air Vice Marshal L S Chisnall CB  
Air Commodore C Coton (elected June 2018)  
B Farrell Esq MBE  
J Holdsworth Esq  
Commander J Lea RN  
Surgeon Commodore R M C McNeill Love (until March 2018)  
Mrs J R Lynch (until March 2018)  
Surgeon Rear Admiral C J G McArthur FRCGP (elected June 2018)  
Major General M J Rutledge CB OBE  
R Sankey Esq  
R Saund Esq JP DL (elected September 2018)  
R Sinclair Esq (elected March 2018)  
A Singleton Esq  
Ms D Stephenson  
Ms D Thomas

## Vice-Patrons:

M Burdick Esq (Resigned January 2018)  
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 (Resigned January 2018)  
Captain J Harvey LVO RN

## Vice-Patrons (cont.):

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  
Brigadier J M A Nurton OBE MC  
N J Reid Esq  
D M F Scott Esq MA  
Major General M F L Shellard CBE (Resigned January 2018)  
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 (Chief Executive Officer)  
Mr N Hare (Head, Benevolence Department until June 2018 then Operations Director)  
Mrs J Killip (Head, Finance Department until September 2018 then Finance Director)  
Mrs E Stevens (Head, Employment Department until June 2018)

## 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:

Greenwood GRM 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

## Contributing Charities

The OA acknowledges with thanks the financial assistance given by the following military charities during the 2017-18 reporting year:

### • Service Charities

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

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

Royal Marines Association  
Royal Navy Officers' Charity  
Royal Navy and Royal Marine Children's Fund  
Sailors' Children's Society  
Seafarers UK (King George's Fund for Sailors)  
Women's Royal Naval Service Benevolence Trust

### • Army Charities

ABF The Soldiers' Charity  
Airborne Forces Security Fund  
ATS/ WRAC Association Benevolent Fund  
Black Watch Association  
Coldstream Guards Regimental Charitable Funds  
Duke of Lancaster's Regiment  
Grenadier Guards Association  
Irish Guards Association  
King's Royal Hussars  
Queen Alexandra's Royal Army Nursing Corps Association  
Queen's Royal Hussars Benevolent Fund  
Royal Army Ordnance Corps Charitable Trust  
Royal Electrical and Mechanical Engineers Benevolent Fund  
Royal Engineers Officers' Widows Society

### Army Charities (cont.)

The Rifles  
The Rifles Benevolent Trust  
The Royal Logistic Corps Regimental Association  
The Royal Logistic Corps Association Trust  
Royal Artillery Charitable Fund  
Royal Engineers Association  
Royal Military Police Central Benevolent Fund  
Royal Signals Association  
SAS Regimental Association  
Scots Guards Association  
Scots Guards Charity  
Sirmoor Rifles Association (UK) Trust  
The Royal Welsh  
The Sandhurst Trust

### • Royal Air Force Charities

RAF Benevolent Fund

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

The Air Pilots Benevolent Fund  
Cavell Nurses' Trust  
Elizabeth Finn Care  
Fenton Trust (Family Action)  
Greenwich Hospital  
Guild of Aid  
Journalists' Charity  
Professionals' Aid Council  
Solicitors Benevolent Association  
St Andrew's Society  
The Printing Charity  
The ACT Foundation



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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 Grants and Welfare 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 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**

Aecom  
Amazon  
Balfour Beatty  
Barclays  
Bristol Management Centre  
BT  
Deloitte  
Highways England  
High Speed 2  
HSBC  
KPMG  
Moody's Investors Services  
Network Rail  
Newcastle upon Tyne and York Hospitals NHS Foundation Trusts  
NHS Transformation Unit  
Royal Mail Group  
Security Cleared Jobs  
Siemens  
Standard Life  
Step into Health (NHS Employers)  
Transport for London  
TSG Marine  
Turner & Townsend  
Virgin Money  
Wellington Management International  
Yeo Valley Family Farm

- **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 Leaders Club

