

**OFFICERS'
ASSOCIATION**

ANNUAL REPORT 2018-19



THE OFFICERS' ASSOCIATION REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2019

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INTRODUCTION

BY THE CHAIRMAN OF THE TRUSTEES



In any changes we make, the Trustees' foremost concern is for the most vulnerable of our beneficiaries

2019 has been a milestone in the Officers' Association's (OA) history; it marked a hundred years since Field Marshal Earl Haig recognised the plight of former officers and their families and became the driving force behind the establishment of the OA. We represent officers across all three services and will remain committed to the OA's charitable aims and the debt of honour to those whom our 1921 Royal Charter placed in our care.

As I mentioned last year, 2019 was also the year in which we agreed to bring to an end our longstanding funding agreement with the Royal British Legion. Since 1921 we have received a proportion of the Poppy Appeal and in return agreed not to carry out any fundraising ourselves. From 2019, we will receive a fixed annual amount, tapering to zero in 2024.

We are taking the opportunity of this development to review our grant giving services. In line with the majority of the benevolence sector, the OA's grants and welfare approach will be to move away from the long term maintenance payments model. In any changes we make, the Trustees' foremost concern is for the most vulnerable of our beneficiaries. Our prudent reserves policy means we can cushion this transition period so that no existing beneficiary should suffer

as a result of the reduction in our funding. However, the OA has to look at the long term prospects for our beneficiaries, set against the likely changes in the military charity sector, with fewer veterans, but growing and more complex needs. We are grateful for the indications of support received to date from the various separate service charities in maintaining support, financial and non-financial, to these individuals as our grant-giving capacity reduces.

We will increasingly focus on our employment services, continuing to build business relationships of mutual benefit to employers and the country

The Trustees are determined to ensure that the OA increases its income stream. We will therefore be raising our profile as a fundraising charity, seeking donations, legacies and sponsorship to allow us to maintain our charitable activity. We will increasingly focus on our employment services, continuing to build business relationships of mutual benefit to employers and the country, in furtherance of our charitable aims. We will consider charging for some of the services we provide

to employers, to reflect their commercial value and to ensure charitable benefit is directed to the right people.

Our aim is to be the sector leader in the quality of the services that we provide

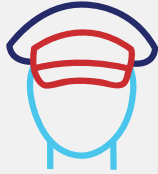
Through its employment services the OA will continue to provide and develop high level career support to all officers (regular, reservist and veteran), from those transitioning careers to those progressing in their new employment. The Trustees have also been looking at new ways of generating revenue and are looking at some exciting new opportunities. Our aim is to be the sector leader in the quality of the services that we provide. I am confident that we will be able to continue our charitable activity and, with your help, meet the challenges of the 21st century as well as the OA did during the first 100 years.

I should like to thank my fellow Trustees and team members for devoting time and energy out of already busy lives to planning the new direction for the OA; the OA is truly fortunate to have such a dedicated and engaged team.

Alex Spofforth

Chairman of the Trustees

TRUSTEES' REPORT



**OUR VISION:
A SECURE AND
SUSTAINABLE FUTURE
FOR OUR OFFICERS
AND THEIR FAMILIES**



**OUR MISSION:
TO PROVIDE OFFICERS
AND THEIR FAMILIES
WITH THE SUPPORT THEY
NEED TO THRIVE OUTSIDE
THE ARMED FORCES**

The Trustees present the annual report and audited financial statements for the year ended 30 September 2019. 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.

OUR VISION

A secure and sustainable future for our officers and their families.

OUR MISSION

To provide officers and their families with the support they need to thrive outside the Armed Forces.



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 2019 and in preparing this Report and the Financial Statements. We are also fully committed to observing the Charity Governance Code of 2017 and implementing its principles in the way the charity operates. 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 14 Trustees of the OA who held office in 2018-19 are listed on page 70; 9 have served as commissioned officers in HM Armed Forces. Trustees are selected through open recruitment and the OA's extensive network of contacts, to match the diversity, experience and expertise required. Trustees carried out a skills audit during the year and will apply the findings to the recruiting of new Trustees. A panel of Trustees interviews candidates to assess their suitability for the role. The Governance Sub-Committee makes recommendations to the Executive Committee (the full board of Trustees) which, after consideration, proposes potential Trustees for election at a meeting of the Council. 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 reports to and receives direction from the Executive Committee. The Executive Committee has five 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.

Governance Sub-Committee. The Governance Sub-Committee meets biannually. It oversees all governance aspects of the Charity and reports to the Executive Committee, advising on the appropriate regulatory framework within which the Charity must operate.

OUR SERVICES

As a Tri-Service charity working solely 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 985 Grants and Welfare cases and supported 5,353 serving and former Service personnel with Employment Services.



“We continue to ensure our services remain relevant and valued by consulting serving and former officers about their needs and aspirations.”

Lee Holloway
Chief Executive Officer



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 71 to 72.

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 level of support to both beneficiaries and job seekers.

WORKING COLLABORATIVELY WITH OTHER SERVICE AND CIVILIAN CHARITIES AND OUR VOLUNTEER NETWORKS IS CENTRAL TO THE OA'S ETHOS

GRANTS AND WELFARE



**THE GRANTS AND
WELFARE TEAM
DEALT WITH
985 CASES**



**THE TOTAL AMOUNT
OF GRANTS PAID OUT
IN 2018-19 WAS
£1,420K**

ACHIEVEMENTS

1. Advice and Support

This year the Grants and Welfare team dealt with 985 (1,066)¹ cases, 379 (389) of which were new.

Our aim is to relieve distress and improve quality of life through a personal service.

We recognise that each case is different and our team takes care in reviewing applications for help to understand the circumstances fully, always treating each person with respect and dignity

Our volunteer Honorary Representatives (Hon Reps) visit beneficiaries in their homes and report back to the OA.

We provided advice and support through:

- Trained and professional Grants and Welfare staff providing a confidential service
- Customising help to meet individual needs and maintaining regular contact with beneficiaries
- Guidance on statutory benefits and services to ensure appropriate benefit take-up by beneficiaries
- Signposting and referrals to other charities; supporting applications to access additional funding
- Research and exploration of additional services and assistance available locally.

¹ Previous year's figures throughout in brackets.

2. Financial Help

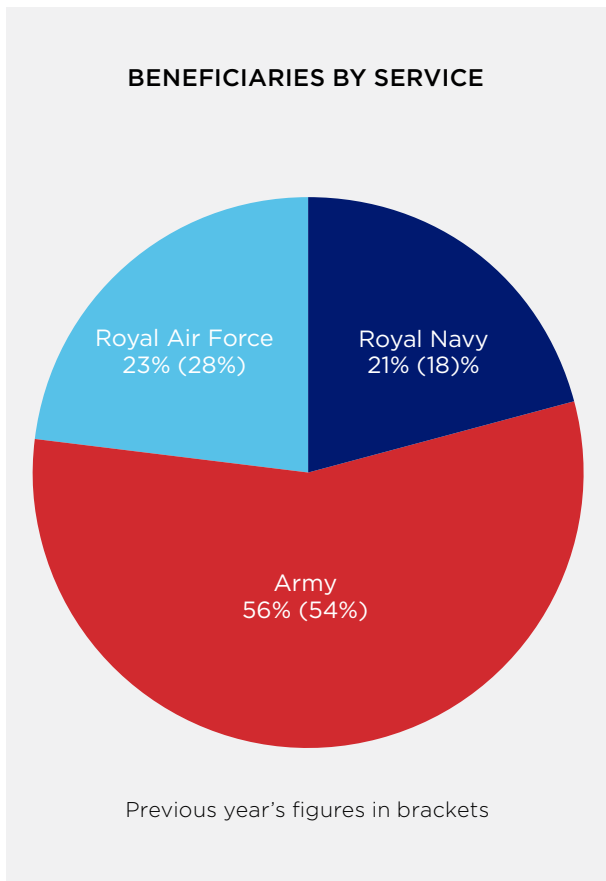
Many people who contact us are in financial need and so grant provision forms the core of our activity. We review the cases receiving regular grants annually to ensure help is relevant and meets the current need of beneficiaries. A beneficiary's financial circumstances may improve as a result of our intervention, or through external factors. In these cases we stop financial assistance, but our non-financial support remains for as long as it is required.

**WE WORK WITH OTHER
CHARITIES TO ACHIEVE
THE BEST POSSIBLE
OUTCOMES FOR OUR
BENEFICIARIES**



2.1 Grants and Allowances

The total amount of grants paid out in 2018-19 was £1,420K (£1,383K) with 56% in the form of regular payments. £1,028K (£1,009K) of the grants came directly from OA funds. We work with other charities to achieve the best possible outcomes for our beneficiaries; we provided £334K (£302K) to our beneficiaries through individual case co-operation with other charities and distributed £58K (£72K) of block grants from other charities. In addition, we paid a block grant of £20K to the Royal Commonwealth Ex-Services League (RCEL) to distribute grants to beneficiaries in Commonwealth countries.



600

**INDIVIDUALS
RECEIVED
DIRECT
FINANCIAL
ASSISTANCE**



101

**PEOPLE
OVERSEAS
WERE
SUPPORTED**

Number of Individuals Receiving Grants

600 (631) individuals received direct financial assistance from the OA. This is a slightly lower number than last year but, as the overall amount paid in grants demonstrates, we are dealing with fewer but more complex cases. This trend of fewer yet more complex cases requiring greater financial support is reflected across the military grant-making charities. Our biggest commitment financially continues to be in regular grants paid to individuals with enduring need.

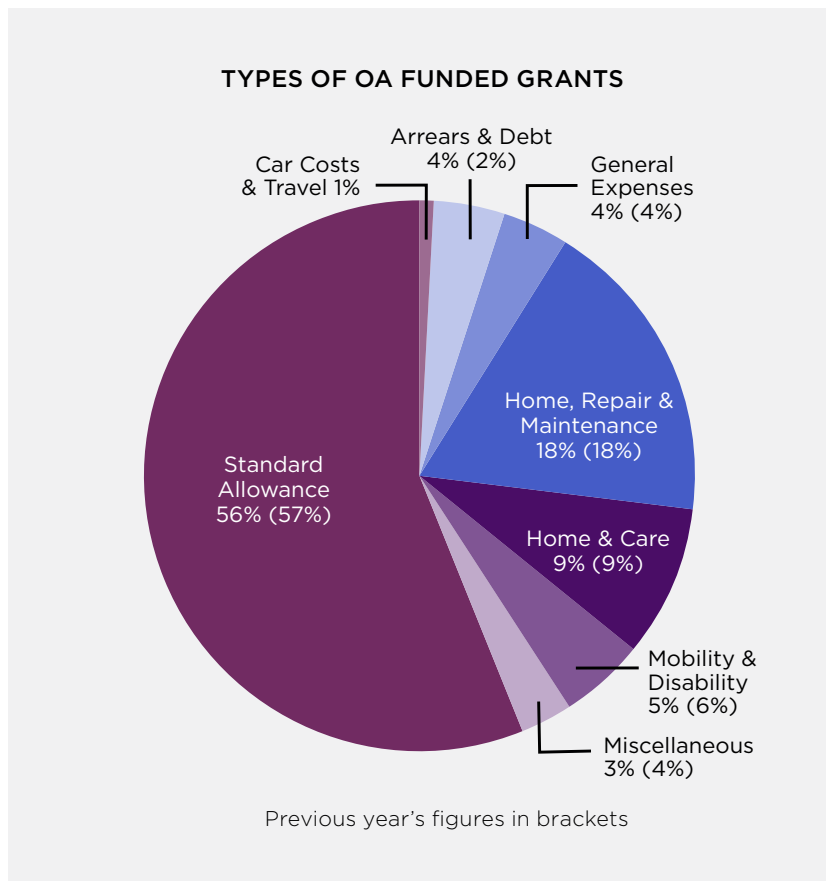
Care Homes and Care at Home

42 (48) individuals were given a grant to help top up care home fee payments. We have supported a further 6 (4) people by assisting with the cost of receiving care at home.

2.2 Support Abroad

We offer support to officers and their families overseas through our volunteer network and with the help of partner charities.

We engaged with 101 (113) people abroad and were able to assist 91 (105) of them with grants, with the largest number, 33 (35), in Zimbabwe. We are very grateful to the RCEL, ZANE, the Royal British Legion, SSAFA and Age in Spain for their part in facilitating this support.



OUR FOCUS THROUGH 2018 - 2019

1. Increasing Awareness of Services

We launched a second Grants and Welfare film: 'Wayne's Story' documents the experience of a widower and his son who are supported by the OA in the aftermath of the sudden death of his wife (post Service).

The film was shared by Cobseo, Pathfinder and Army & You magazines as well as RMA Sandhurst (who shared the video on their social media channels). The film was well received across the OA's social media channels with over 10,500 people watching the whole film.

2. Assessing Impact

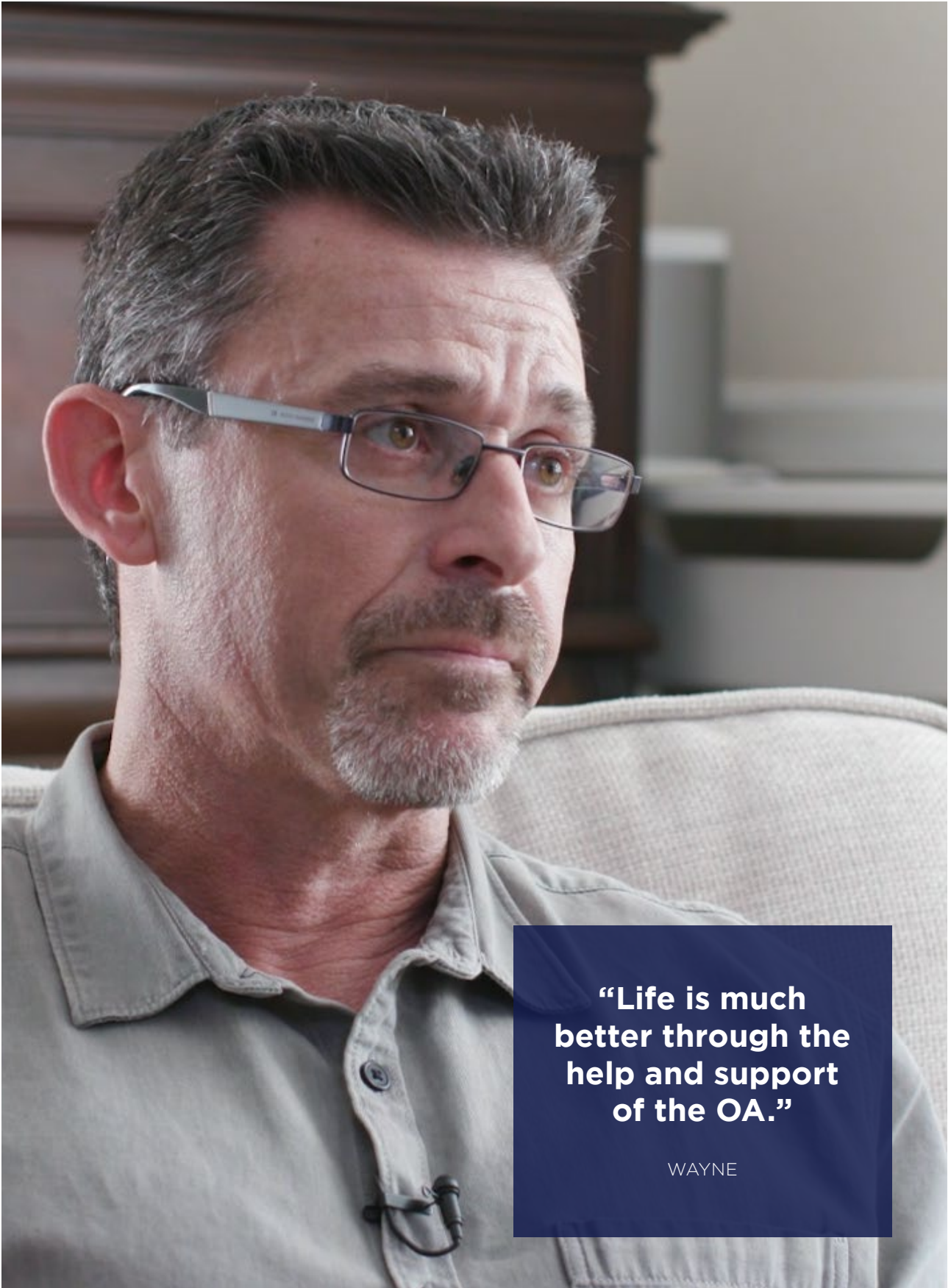
The 'Independence Star'^{TM2} reporting and impact measurement tool helps the OA, and beneficiaries themselves, to better understand beneficiaries' circumstances and the impact of our support. It provides a person-centred, collaborative approach that helps the beneficiary to take responsibility for their situation and to be informed about the shared action plan. We did not achieve our aim of further analysis of the data from these reports to obtain a general picture of our beneficiaries.

THE OA HAS ALWAYS RELIED ON ITS NETWORK OF VOLUNTEERS. ONCE CALLED HONORARY HELPERS, THEY ARE NOW KNOWN AS HONORARY REPRESENTATIVES

3. Developing the Honorary Representative Network

Much work has been undertaken during the year to refine the recruitment and induction process for new Hon Reprs to ensure they are prepared for their role. We continue to review how Hon Reprs handle data and the security of data exchange with the London office; we have deferred any change in process until the new, more secure, ICT system at the OA has been installed, expected in early 2020.

² The Independence Star is a trademarked impact measuring tool.



“Life is much better through the help and support of the OA.”

WAYNE

DELIVERING GRANTS AND WELFARE SERVICES

1. Process

- We specialise in offering a personal service. Each beneficiary is assigned a Grants and Welfare Manager and, in the majority of cases, that manager remains the same throughout a beneficiary's time with the OA.
- Many of the people calling us simply want someone to share their problems with and our managers spend much of their time talking to the individuals they look after.
- We focus on 6 key areas in assessing an individual's situation: finances, housing, health, activities, social life and well-being. We use the 'Independence Star' to gain a holistic view of each individual's circumstances.



Looking ahead to 2020: We will review our service delivery in light of the change in our funding circumstances. This will include an assessment of our grant making capacity and our non-financial support.

Specialist Advice: Legal, Loneliness and Befriending Services

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

We have deferred the launch of a friendship service as the proposed partner charity underwent restructuring and we embarked on a review of our own Grants and Welfare services.



HOW WE HELPED

ELIZABETH



Elizabeth (not her real name) is the widow of an Army Officer in her 80s, lives alone and her health is poor. Her only income is from pensions and state benefits and is only just adequate to cover her modest out-goings. She has no margin in her budget for emergencies.

During the year, we have helped Elizabeth with one-off grants to cover the replacement of a washing machine and gas cooker which she could not afford on her limited income.

When she first approached the OA via SSAFA a few years ago, she was unable to use her bath because of her poor mobility. She describes her life as having been transformed by the installation of a walk-in shower.

Her annual visit by our Hon Rep revealed that her health is continuing to deteriorate and additional funding may be required for further smaller adaptations to help her remain independent, in her own home.

2. Our Volunteers

The OA values the support of our volunteer Hon Reps whose home visits to beneficiaries form a vital part of the case work process. Without the generous contribution of their time, it would not be possible to reach all who need our support.

Hon Reps submitted 305 (316) case reports this year following visits to beneficiaries. Some visits were carried out by caseworkers from other charities, highlighting the co-operation achieved between charities.

At the end of the financial year we had 99 (121) Hon Reps; some retired for a variety of reasons during the year, but we also welcomed two new volunteers to the team. To ensure our volunteers continue to meet the highest standards, we have made online training in safeguarding and data protection compulsory. We have also had to ask our volunteers over 80 to stand down because we can no longer insure them.

Regional update meetings held with the Hon Reps in the spring attracted 70 attendees. They valued their time together and the opportunity to meet permanent staff. As well as being updated on key issues in the Charity, they received training on safeguarding and reviewed a case study based on completing the Independence Star.



Looking ahead to 2020: We are exploring ways to develop the role of the Hon Reps using their wealth of expertise and dedication to advance the aims of the Charity.

3. General Data Protection Regulation (GDPR)

We are aware that we hold large amounts of personal data, sometimes very sensitive, on our beneficiaries. We make every effort to ensure that they understand what information we hold and why. If we do not have the individual's consent to hold sensitive or 'special category' data, we delete it. Moreover, we do not keep information for longer than we need for the purpose of providing help or than we are legally required to keep it. We therefore have a rolling programme to review our records and delete old data.



99

**HON REPS
VOLUNTEER
WITH THE OA**



**HON REPS
SUBMITTED**

305

CASE REPORTS

CO-OPERATION WITH OTHER CHARITIES

1. Grants

We have extensive experience of working with other charities. Over the years we have established valuable and strong associations with many charities which has helped secure additional support for our beneficiaries:

- 28% of all grants paid out during the year came from funds provided by other charities.
- We distributed block grants of £58K and received block grants of £43K. This is less than last year as our partner charities now prefer to award grants on a case by case basis rather than in one payment.

2. Casework

- We had 379 new cases referred to us: 44% came via the Casework Management System (CMS), a computer-based system operated by SSAFA and shared by over 100 military charities, enabling the sharing of applications for assistance. The remaining 56% came either from self-referrals or directly from other charities. The majority came from SSAFA, with the rest mostly coming from the Royal Air Force Association (RAFA), the Royal British Legion and RCEL.
- The department has been involved in the project to deliver the new CMS which is nearing completion and should be in use in 2020.



THE DISABLED OFFICERS'
GARDEN HOMES AT LEAVESDEN

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.

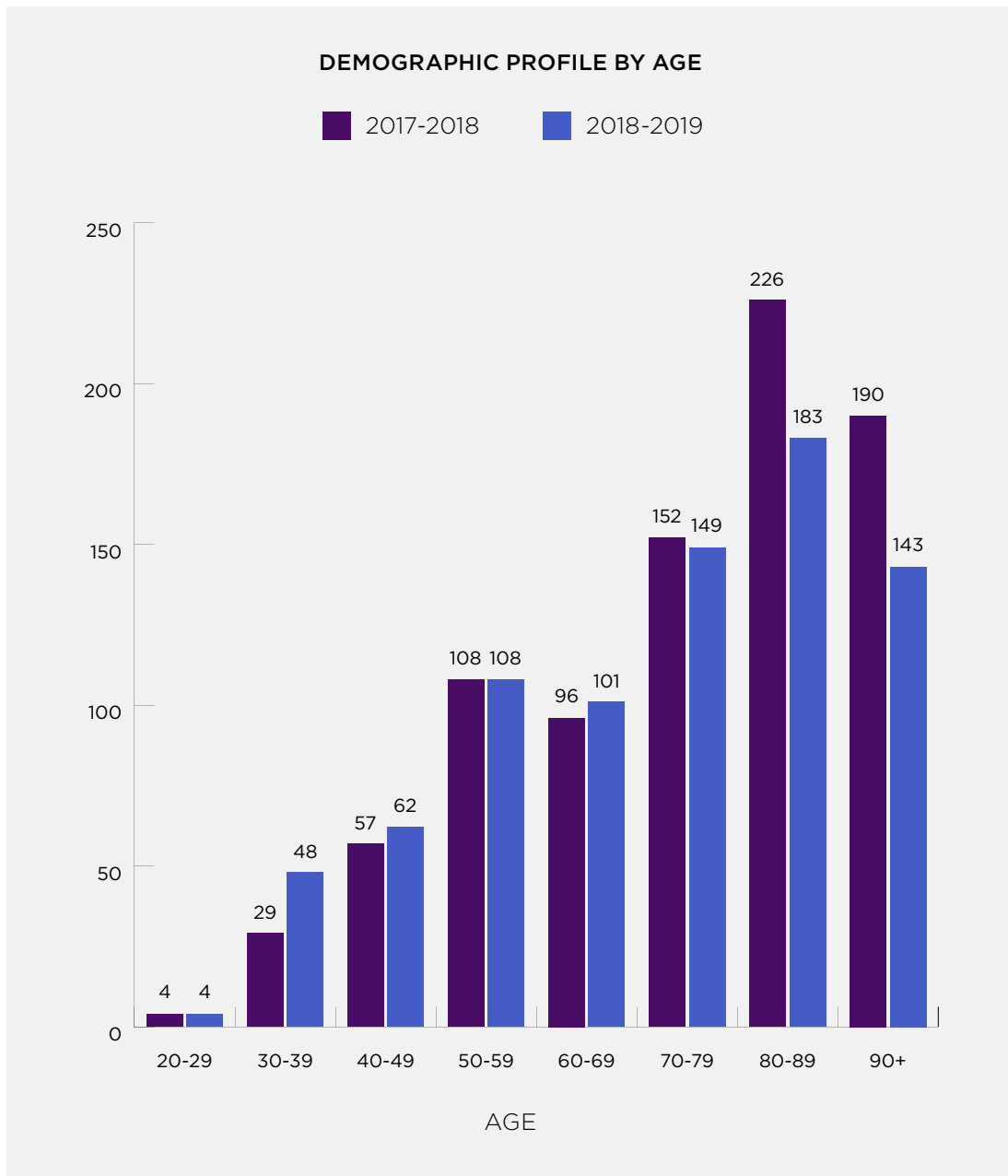
Owing to the recent difficulty in finding eligible residents, Haig Housing has changed the charitable objects of the trust and occupancy is now available to a wider range of applicants.

The OA remains involved in the selection of occupants and so please contact us if you would like more information: info@officersassociation.org.uk.

ANALYSIS OF SUPPORT

Demographic Profile by Age

The number of people we have helped in their 30's has increased by 65% this year, whilst those in their 80's and over 90 have decreased by 19% and 25%.



HOW WE HELPED

DEBORAH



Deborah (not her real name) and her teenage daughter live in Yorkshire. She served in Queen Alexandra's Royal Army Nursing Corps (QARANC) for six years, serving in Bosnia and retiring as a Captain in 1998.

Deborah has ongoing mental health issues (chronic depression and anxiety) which affect her physical health. The OA provided initial support for Deborah from 2011 to 2013 after she and her daughter moved from the South of England.

However, Deborah got back in touch with the OA in 2016 when she found herself struggling financially and unable to continue working because of her mental health. She is reliant on statutory welfare benefits as family income. Deborah and her daughter live in a rented Housing Association property. Deborah's daughter is doing very well at school and is a talented artist.

The OA currently supports Deborah with a maximum Standard Allowance Grant (£1,820 annually, paid quarterly) and a Household Facilities Grant of £1,000 for the year, to help with telephone and broadband expenses and other household items. These included a bike for her daughter which allows her to travel to her weekend job in a shop.

We have also provided one-off grants, including the provision of a laptop to help Deborah communicate with friends and her daughter with school work. QARANC has also provided one-off grant support, having been approached by the OA.

The OA's ongoing help and support have had an invaluable impact on the well-being of mother and daughter.

EMPLOYMENT



5,353

**OFFICER JOB
SEEKERS USED
OUR EMPLOYMENT
SERVICES**



THERE WERE

1,911

**NEW REGISTRANTS
FOR OUR SERVICES**

ACHIEVEMENTS

This year 5,353 (5,425) officer job seekers used OA Employment Services. There were 1,911 (1,586) new registrants for our services, an increase of 20% on the previous year. The increase in registrants demonstrates a widening awareness of the OA's services in meeting the demand for employment support both in transition and later in civilian careers. As we offer lifelong support, many officers return to us for further career guidance later in their careers.

The effectiveness and reputation of our services is shown by the high level of word of mouth referrals: over 40% of those engaging with us do so by personal recommendation.

We continued to build our reputation amongst employers who increasingly recognise the value of recruiting veterans.

Katie Lavin, former Royal Artillery officer





**MANY OFFICERS
RETURN TO US FOR
CAREER GUIDANCE
IN CIVILIAN LIFE**

“I attended numerous webinars and insight days advertised through the OA and soon realised that the breadth of roles within the financial sector was vast.”

Katie Lavin
Former Royal Artillery officer,
now working for UBS under
their Ex-Forces Associate
Recruitment Programme

We provided support through:

- Delivering 600 one-to-one career consultations and 326 additional reviews of CVs and LinkedIn profiles.
- Organising 23 career sector specific events to provide advice and information to job seekers.
- Running 10 events for employers to highlight the benefits of recruiting veterans.
- Participating in 36 external events aimed at developing job opportunities for officers.
- A programme of 27 webinars with a range of contributors, sharing information and advice with up to 50 registrants per webinar.
- Creating networking opportunities by organising events and developing the OA Network Contact list: mostly former officers now working in a range of sectors, prepared to engage with job seekers.
- Offering 1,290 jobs and other employment opportunities through the OA executive jobs board.

OUR FOCUS THROUGH 2018 - 19

OA career consultations are one of our flagship services. Combined with CV and LinkedIn profile reviews, these one-to-one consultations receive consistently good feedback.

We also run a successful jobs board. On average we posted approximately 100 jobs each month. Career consultations and the jobs board are probably the two services we are most renowned for.

We also have a highly successful team that engages daily with a growing group of employers to help them understand the value of hiring ex-military officers and also how to develop their skills and keep them. The team participated in over 70 events around the country, informing Service leavers and employers and then bringing them together in many sectors including cyber, law, financial services, rail and the construction industry.

"I am really grateful to the OA for enabling me to understand more about the opportunities available and supporting me with all aspects of my transition."

Johnny Clive
Former Blues and Royals officer
(see page 35)

WHAT IS A CAREER CONSULTATION?

Anyone registering with the OA can book a one-to-one career consultation face to face, by telephone or GoToMeeting, to suit the individual's circumstances.

Consultations can take up to two hours. Our highly experienced career consultants focus on the needs of the client and shape the discussion accordingly. They usually start with "what job, where and how much" and the domestic and personal factors influencing these choices. The consultants have good current knowledge of markets,

recruiters and pay rates to inform this discussion. They also help clients identify their transferable skills and how to highlight these, and the value of their military experience, in a CV.

Consultants emphasise the importance of networking, including the use of LinkedIn, direct clients to the OA Executive Jobs Board and help them to prepare for what may be their first civilian job interview.

If required, consultants stay in touch to advise on CV revisions and job applications.



**600
ONE-TO-ONE
CAREER
CONSULTATIONS
WERE DELIVERED
IN 2018-19**

DELIVERING EMPLOYMENT SERVICES

1. Support to Service leavers and veterans

The OA supports Service leavers in their transition and ex-military officers with a wide range of services to help them find long term sustainable employment:

1.1 Career Consultations and CV Reviews

Of the 600 consultations we undertook, 56% were face-to-face and were conducted in London, Bristol, Tidworth, Catterick, York and Portsmouth. The remainder were by 'GoToMeeting' or telephone at the request of job seekers who may be deployed overseas or unable to travel. Following a one-to-one review, consultants will provide, if required, further support on CV reviews and letters of applications, networking, salary expectations and LinkedIn profiles.

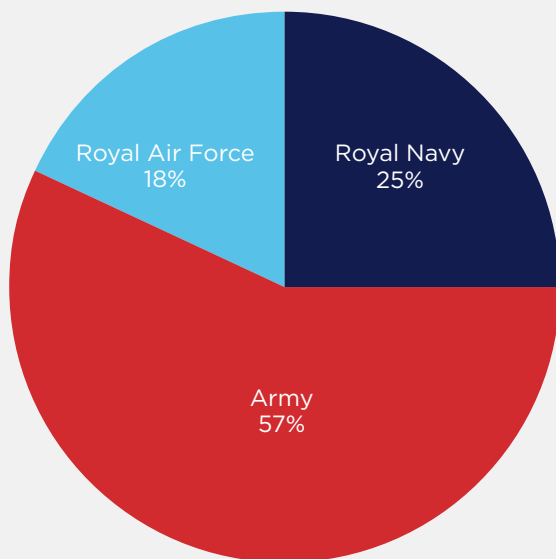
Current feedback on these services gives a satisfaction rating of 93%.



Looking ahead to 2020: We remain committed to maintaining our personalised service tailored to the needs of the officer client base which distinguishes us from other providers. To this end, we are seeking an increased rate of feedback to ensure we are meeting demand and anticipating future requirements. Across all employment services we want to improve the measurement of our impact.

A methodology will be developed in-house to help officer job seekers self-assess their needs and aims throughout their transition or later career change. This will also help us to shape our future services.

CAREER CONSULTATIONS BY SERVICE



93%

**WERE SATISFIED
WITH THEIR CAREER
CONSULTATION**



1.2 Officers' Career Forums

We run career forums bringing together job seekers and employers, to provide industry insight, expertise and networking. Last year we ran two such events, one in York and one in London.

Held in December 2018, the London Forum attracted 155 job seekers and over 40 employers. The York Forum in May 2019, with 55 job seekers and 11 employers, focused on employment opportunities in the North of England. Both events were followed by a networking evening.



Looking ahead to 2020: Recognising the value of the forum to both job seekers and employers, we plan to increase the number of these events. We are looking to hold an additional event in Bristol to build on our growing relationship with the military community in Abbey Wood and the South-West.

1.3 Networking and Network Contact List

The OA recognises the importance of networking, both for job seekers and employers.

We facilitate a wide range of events to promote the value of networking, improve understanding of how to achieve it and create opportunities for it to happen. Formal and informal networking sessions are held after most OA organised events.

As well as our own events, we continue to engage with informal regional networks of ex-serving officers (see page 73).

The Network Contact List, to which job seekers gain access on registration with the OA, has over 600 people, mostly former officers, who are prepared to give personal advice and guidance on their sectors. All those on the list recognise the challenges faced by Service leavers and the value veterans bring to the workplace.



Looking ahead to 2020: We will continue to expand networking opportunities nationwide, and further develop the Network Contact List.

1.4 Executive Jobs Board

The number of job vacancies posted online increased from 1,110 to 1,290 in 2018-19.

Over 1,500 people accessed the jobs board each month. A wide range of jobs are posted with popular sectors including management consultancy, defence, charities, infrastructure and utilities, and the public sector.

The peak posting months for jobs were January and May. 56% of jobs posted were in the London area, 20% in Scotland (through OA Scotland) and 5% in Wales and the South West. 5% of jobs posted were for roles outside the UK.

Work has started on delivering a mobile optimised jobs board with direct employer access to help improve the service.



Looking ahead to 2020: We plan to launch the new online jobs board in 2020 to improve job opportunities for Service leavers and attract an even wider range of employers.

1.5 Careers Pathway Workshops

The Employment Services department runs a series of Careers Pathway Workshops providing sector specific information and the opportunity to discuss particular roles.

As well as Project and Operations Management, Consultancy and Financial Services, these included popular LinkedIn workshops and, as of this year, Cyber Operations.

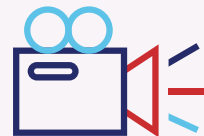


Looking ahead to 2020: We will continue to review and develop with employers the range of workshops we deliver.



1,290

**JOB VACANCIES
WERE POSTED
ON THE OA
JOBS BOARD**



27

**LIVE
WEBINARS
HOSTED**

1.6 Webinars

Our webinar programme allows us to extend our reach by providing out of business hours professional advice to job seekers wherever they are. The 27 webinars held in 2018/19 covered a range of subjects including employers discussing their military recruitment strategies and current career opportunities, practical job finding skills and the value of transferable military skills, qualifications and career development.



Looking ahead to 2020: We will continue to develop a flexible schedule of webinars in line with the feedback from service users.

1.7 Quality website content

We recognise that Service leavers access information and advice in different ways. By originating and sharing relevant content on our website, we aim to raise awareness of, and add value to, the core services we offer job seekers, at transition and later in their careers.

Transition stories are particularly popular. One such post on our website, 'The five lines of operations that will help your transition', was written by former Army officer David Orr to reflect his planned approach to securing a role as Security Operations Centre Manager for the IT security firm, NCC Group.



Looking ahead to 2020: We will continue to seek out and develop high quality content that is of benefit to OA audiences.

**THE AIM OF ANY
CAREER TRANSITION
IS TO ACHIEVE
FULFILLING AND
SUSTAINABLE
EMPLOYMENT IN A
ROLE THAT FEELS
RIGHT AND TAKES INTO
ACCOUNT INDIVIDUAL
CIRCUMSTANCES,
ASPIRATIONS AND
SKILLS**

2. Engagement with employers

2.1 Military is Good for Business

Our work with employers under this programme aims to highlight the value of recruiting and retaining veterans and enables them to build their own military recruitment programmes. This year we have worked with over 40 employers, including a number of NHS Trusts around the country.

We have extended the programme in the past year with a specific focus on the rail industry, "Military is Good for Rail". We have facilitated a number of events where employers shared their experiences of employing veterans.

2.2 Employer Led Insight Days

Our Employer Engagement team worked with employers to run 9 insight events to showcase their specific business and meet potential officer recruits.

Our website provides advice and guidance on hosting an insight day and our Employer Engagement team are available to provide additional support.

2.3 Knowledge Swap

We bring together employers with active veteran employment programmes and employers interested in developing in such programmes to share experiences. We ran 4 of these events in 2018-19.



Looking ahead to 2020: We will continue working with employers to further develop military recruitment schemes and internal military mentoring schemes, extending the scope of our work to cover new sectors.

Deloitte.



HOW WE HELPED

TSG MARINE



Based in the North East of England TSG Marine is a growing business providing marine access services to the energy sector.

Recognising a need for experienced project managers, TSG Marine turned to the OA to help implement their military recruitment strategy and fill this skills gap. With the support of the OA, they created their 'Commercial Experience Programme,' championed internally by a former officer.

TSG Marine adopted a personalised approach to recruiting. For instance, they do not look at CVs until they are certain that candidates are the right cultural and personal fit.

The process is:

- **Insight days**
To provide industry insight, information on roles available and CV reviews. Organised, promoted and supported on the day by the OA.

- **Workplace Attachments**
Up to one month's unpaid work experience tackling real industry issues.
- **Employment offer or further support**
If not offered a role with TSG, candidates' CVs and portfolio of TSG work are forwarded, if wished, with a reference from the Managing Director to other employers.

TSG Marine has so far run 6 insight days, all over-subscribed. TSG Marine's programme is having a significant impact as they actively champion ex-military recruitment and share best practice across other sectors and industries.

As a result of their outstanding achievement in military recruitment, TSG Marine were awarded the OA Employer Recognition Award this year.

UTILISING MILITARY TRAINING AND SKILLS

The OA understands the value of officers to business and the civilian workplace. We work with officers in transition and post Service to realise their skills and abilities, enabling industry and officers themselves to recoup the investment made in their training.

Recognising the boardroom fit of senior military skills, the OA has partnered with OnBoarding Officers to provide a full induction programme into the role and scope of Non-Executive Directors (NED). We offered the programme at a reduced cost to senior officers.

After attending the five-day programme, alumni are able to access the OnBoarding Officers network of contacts to participate in CPD events and help secure an NED role.

“This course seemed to tick all the boxes. Those who presented spoke in plain English and were convincing in dispelling some of the ‘black art’ that in my mind surrounded board membership. What’s more, they understood how I could ‘transfer’ my military experience into what would be of best use in a boardroom.”

Lieutenant General Richard Felton

“OnBoarding Officers aims to increase the diversity of British boardrooms and who better than our senior military personnel to bring this further dimension to boardroom executive teams.”

Jo Haigh
CEO and Founder of
OnBoarding Officers



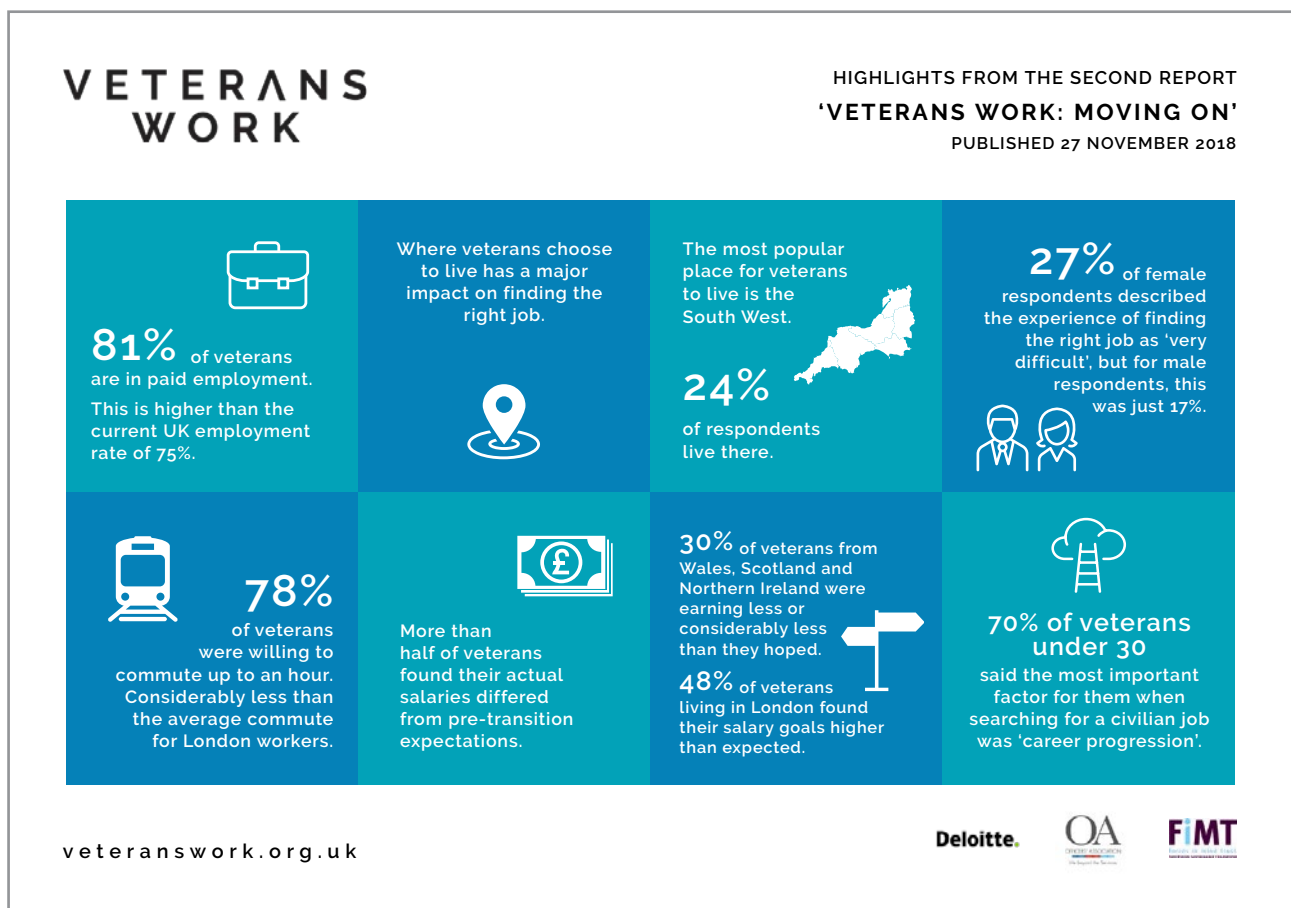
Jo Haigh (centre) and course participants

3. Collaboration and Influence in the wider military employment area

3.1 Veterans Work

We have remained engaged in work at a strategic level supporting the case for employing ex-Service officers. During the year we were once again a partner in the Veterans Work project. Championed by Deloitte and supported by Forces in Mind Trust (FiMT), this high profile project works with industry, the media, the third sector and across Government including the Ministry of Defence. The latest report, Veterans Work: Moving On, examines the factors that motivate veterans when making the transition from the military to the civilian job market.

The overall aim of the project is to allow employers to better understand the influences on Service leavers and veterans as they consider their career outside the military.



3.2 Cobseo Employment Cluster

As a member, the OA exchanges advice, guidance and best practice on veteran recruitment.

3.3 Research

The OA has sought to improve its understanding of the barriers and challenges faced by Service personnel seeking employment on leaving the Armed Forces at the age of 50 or above. With funding from FiMT, we commissioned a study from the Centre for Research into the Older Workforce (CROW) to address the particular needs of this group; the report will be published in 2020.



Looking ahead to 2020: We plan to work more closely with Defence Relationship Management (DRM) and continue to supplement the work of the Career Transition Partnership (CTP). We will seek to integrate the findings of the CROW research into the development of our services.



HOW WE HELPED

JOHNNY CLIVE



“ I spent ten years in the Blues and Royals serving in Windsor, Sandhurst and London District.

I left the army primarily because my family life wasn't compatible with the future Service life I could see for myself. Having done a tour, a training role and a ceremonial role, I wanted a new challenge.

I found my career consultation with Lisa at the OA exceptionally helpful. Lisa not only reviewed my CV with me in detail and discussed my career aspirations, but also signposted me to events and organisations she thought might be of interest to me. I subsequently attended a number of events organised through the OA, all of which I found beneficial to gaining a better insight into the corporate world, meeting a network of other people leaving the Services and connecting with ex-military employees.

At one of these events I met the head of the military recruitment scheme at KPMG and, after a series of interviews, was fortunate enough to be offered a role as a Project Manager. I was delighted to find a role at KPMG. I can use transferable skills from my time in the army and am learning new ones whilst working in an organisation whose values I share. They have also been generous enough to afford me 19 days reserve service so I am pleased I can keep my hand in with military life.

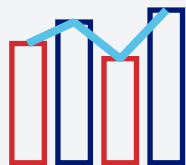
I am really grateful to the OA for enabling me to understand more about the opportunities available and supporting me with all aspects of my transition.



FINANCIAL REVIEW



**EXPENDITURE
EXCEEDED
INCOME BY
£828K**



**INVESTMENT INCOME
REPRESENTS
18%
OF TOTAL INCOME**

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.

HIGHLIGHTS FROM THE ACCOUNTS

We continue to operate at a deficit and are using funds to research future income streams to replace the Royal British Legion (RBL) funding which will end in 2023. We are reviewing the current services we offer and evaluating their relevance, quality and the internal processes that underpin their delivery. This year our expenditure exceeded income by £828K (2018: £615K). There was, however, a small net gain of £74K (2018: £160K) on the investment portfolio. The net movement in funds was therefore a decrease of £754K (2018: a decrease of £455K) resulting in our consolidated funds standing at £16,704K (2018: £17,458K).

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

- **Royal British Legion.** Of the £3,496K (2018: £3,491K) income accounted for, £2,331K (2018: £1,998K) came from an RBL grant. £231K of this figure was a balancing payment from the previous year's grant which was based on the 2017 Poppy Appeal collection.
- **Investment Income.** A total income of £644K (2018: £647K) 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 £352K (2018: £476K) 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. We returned a restricted grant of £25K to ABF The Soldiers' Charity, intended for the development of a job seeker self-analysis tool. It was decided that other means of realising this project should be explored, thus allowing the ABF funds to be repaid.
- **Sale of Shares.** In line with our budget to operate at a deficit, £200K (2018: £750K) of shares from our investments were sold to fund activities.
- **Legacies.** Legacy income received this year was £33K (2018: £290K).
- **Trading Activity.** All trading activity is carried out through the wholly owned trading subsidiary, OA Advance Limited. Since July 2018 OA Advance has had a contract to provide management services to Lady Grover's Fund, a friendly society that provides health care insurance for officers' families. This contract generated the majority of income through the trading subsidiary of £56K (2018: 13K).

Expenditure. Our expenditure this year of £4,324K (2018: £4,106K) shows an increase of 5% on the previous year's figure. Of this amount, Grants and Welfare grants awarded and paid out in the year were £1,420K (2018: £1,383K), an increase of 2.7% on the previous year's figure.

RESERVES POLICY

The Reserves Policy is a key element of the financial strategy which we review on an annual basis. In 2018-19 we decided to keep the unrestricted reserves target unchanged at £10M to reflect our funding risk, in response to a new relationship with RBL who will now fund us at a reducing rate until 2023. Our reserves will allow us time to plan our new strategy and develop new income streams. £10M is equivalent to just over two years of current annual expenditure.

Our unrestricted reserves currently stand at £13,180K (2018: £13,852K) which is £3,180K (2018: £3,852K) above the reserves target. It is anticipated that this target will be reached within three years as reserves are used to cover the shortfall in income and as new income streams mature.

The unrestricted reserves target was based on:

- **Mitigating the loss of income from RBL.** The new five-year payment agreement between the OA and RBL is on a decreasing sliding scale and will not be renewed at the end of the term. Consequently we believe it prudent to maintain our reserves target at £10M whilst the OA plans its new strategy and develops new income streams.
- **Fundraising Capability.** The OA gave up its fundraising capability in 1921 in return for a proportion of RBL's Poppy Appeal collection. Now that this restriction has been lifted the OA needs to invest in this capability to develop its own income streams.
- **Uncertainties in the value of and income from investments.** Investment income currently represents 18% of our total income. The value of the investment portfolio and the income it generates are subject to fluctuation. In addition, investments will continue to be sold to fund the deficit resulting in a reduction in investment income.
- **Moral obligations in the event of ceasing to make grant payments.** To continue supporting former officers and their families the OA will not have sufficient funds to continue making grant payments at the current level of £1.4M a year. The Charity is approaching other single service charities to take over grant payments which fall within their eligibility criteria. The OA will consider the best way of supporting beneficiaries who do not meet single service charities' eligibility criteria.

RISKS

The Executive Committee has considered the major risks to which the Charity is exposed, and has categorised them as strategic or operational. Operational risks can be reduced by the implementation of sound processes and procedures but cannot be eliminated and could still have a significant impact on the OA. Strategic risks are managed at trustee level.

The main strategic risks are:

- **Lack of sufficient income for long term sustainability.** We consider the lack of sufficient income for long term sustainability to be the Charity's primary risk. With RBL income reducing to zero by 2024 developing new income streams is a priority. Four trustee-led work streams, including one on income generation, were set up to develop the future strategy of the charity. Work is underway to test the feasibility of proposed new income initiatives. The level of reserves reflects the lead time it will take for these potential income streams to replace RBL funding.
- **Losing relevance and impact.** If we fail to respond to the evolving needs of our beneficiaries and service users, and the changing environment, our services would become under-used and our resources deployed inefficiently. As part of the strategy review, we are assessing all Employment services to establish which generate the greatest impact; this will shape the development of future services. We are also looking at ways of improving our impact reporting to communicate our successes better.

The main operational risks are:

- **Data Protection.** A serious data protection breach or failure could significantly compromise our ability to deliver our services and have a detrimental impact

on our reputation. As noted below, we are constantly reviewing our technical and physical security to protect our data, but with the introduction of compulsory training for Hon Rep volunteers and regular reminders within the organisation, we aim to minimise the risk of data loss by human error. We also strive to be as transparent as possible to our users in how we use their data.

- **Cyber Security.** A successful cyber attack could result in the denial of access or damage to the OA IT system. The OA has mitigated these threats by using hosted remote desktop services and file servers which offer greater protection than in-house infrastructure. This arrangement will be replaced in 2019 - 2020 with a cloud system that will further enhance our security. The Salesforce CRM cloud database also provides a high level of security. We have implemented an information security policy covering both physical and cyber security. We will continue to review and strengthen our cyber security precautions.

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 and has decided not to place any ethical constraints on its investment policy but to keep this under review and discussion.

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 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 Executive Committee considers and approves recommendations for any general annual salary increase and also for changes to the CEO's remuneration.

FUNDRAISING POLICY

The OA has not had a fundraising capability since 1921; with the need to develop new funding streams, this will change. Feasibility studies will be commissioned in 2019-20 to explore the viability of proposed options consistent with the culture of the charity, its charitable aims and the values of the officer corps. The OA will register with the Fundraising Regulator and will comply with its Code of Fundraising Practice to ensure that the highest standards are maintained when conducting fundraising activity.

The financial statements were approved and authorised for issue by the Executive Committee on 13 February 2020

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 FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	<i>Notes</i>	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
INCOME FROM:						
Donations and legacies	2					
The Poppy Appeal		2,331	-	-	2,331	1,998
Other donations and legacies		113	18	-	131	393
Charitable activities						
Grants and Welfare activity		-	334	-	334	302
Employment activity		-	-	-	-	115
Investments		466	-	178	644	647
Other trading activity	18	56	-	-	56	36
Total Income		<u>2,966</u>	<u>352</u>	<u>178</u>	<u>3,496</u>	<u>3,491</u>
EXPENDITURE ON:						
Charitable activities						
Grants and Welfare department	8	(1,907)	(392)	-	(2,299)	(2,513)
Employment department	8	(1,716)	(43)	-	(1,759)	(1,591)
Trading activity		(266)	-	-	(266)	(2)
Total Expenditure		<u>(3,889)</u>	<u>(435)</u>	<u>-</u>	<u>(4,324)</u>	<u>(4,106)</u>
Net (expenditure)/income and net movement in funds before gains on investments		(923)	(83)	178	(828)	(615)
Net gains on investments	17	73	-	1	74	160
Net (expenditure)/income		(850)	(83)	179	(754)	(455)
Transfers between funds	21	178	-	(178)	-	-
Net movement in funds		(672)	(83)	1	(754)	(455)
Reconciliation of funds:						
Funds brought forward		13,852	144	3,462	17,458	17,913
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2019		<u>13,180</u>	<u>61</u>	<u>3,463</u>	<u>16,704</u>	<u>17,458</u>

The statement of financial activities includes all gains and losses recognised in the year. All amounts were derived from continuing activities. Movement in funds are disclosed in Note 21 to the financial statements. Full comparative figures for the year ended 30 September 2018 are shown in Note 27.

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	<i>Notes</i>	2019 Group £'000	2018 Group £'000	2019 Charity £'000	2018 Charity £'000
FIXED ASSETS					
Tangible assets	13	19	34	19	34
Investments	17	15,937	16,063	15,937	16,063
Total Fixed Assets		<u>15,956</u>	<u>16,097</u>	<u>15,956</u>	<u>16,097</u>
CURRENT ASSETS					
Debtors	19	214	1,085	267	1,108
Cash at bank and in hand		<u>983</u>	<u>766</u>	<u>924</u>	<u>742</u>
Total Current Assets		<u>1,197</u>	<u>1,851</u>	<u>1,191</u>	<u>1,850</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	20	<u>(449)</u>	<u>(490)</u>	<u>(444)</u>	<u>(490)</u>
NET CURRENT ASSETS		<u>748</u>	<u>1,361</u>	<u>747</u>	<u>1,360</u>
NET ASSETS		<u>16,704</u>	<u>17,458</u>	<u>16,703</u>	<u>17,457</u>
FUNDS					
Unrestricted funds	21	13,180	13,852	13,179	13,851
Restricted funds	21	61	144	61	144
Permanent endowment	21	3,463	3,462	3,463	3,462
TOTAL FUNDS		<u>16,704</u>	<u>17,458</u>	<u>16,703</u>	<u>17,457</u>

The financial statements were approved and authorised for issue by the Executive Committee on 13 February 2020

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 FLOW

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	<i>Notes</i>	2019 Group £'000	2018 Group £'000
Cash (outflow) from operating activities	26	(627)	(1,241)
Cash flows from investing activities			
Sale of investments	17	200	750
Investment income		644	647
Purchase of tangible fixed assets	13	-	(7)
Cash provided by investing activities		844	1,390
Increase in cash and cash equivalents in the year		217	149
Cash and cash equivalents at the beginning of the year		766	617
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		983	766

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 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 OA.

1.16. **Governance Costs.** This is 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.

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.

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 21.
- **Endowment Funds.** Endowment funds comprise The Officers' Association Permanent Endowment Fund. Further details are shown in note 21. The capital is invested in perpetuity; the income from this is available for the general purposes of the Charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. INCOME FROM DONATIONS AND LEGACIES (CURRENT YEAR)

	Unrestricted £'000	Restricted £'000	2019 £'000	2018 £'000
Poppy Appeal	2,331	-	2,331	1,998
Legacies	33	-	33	290
Other donations	80	18	98	103
	<u>2,444</u>	<u>18</u>	<u>2,462</u>	<u>2,391</u>

The income from the Royal British Legion shown includes a balancing figure of £231K from the 2017 Poppy Appeal.

Gifts and services in kind amount to £44K (2018: £23K) and are included under other donations.

3. INCOME FROM DONATIONS AND LEGACIES (PRIOR YEAR)

	Unrestricted £'000	Restricted £'000	2018 £'000
Poppy Appeal	1,998	-	1,998
Legacies	290	-	290
Other donations	44	59	103
	<u>2,332</u>	<u>59</u>	<u>2,391</u>

4. FUTURE INCOME

A new five-year payment agreement has been made with the Royal British Legion with the first payment made in 2019. This grant is for a fixed annual amount which will taper in value over the duration of the agreement. Beyond this period the OA will be required to bid for funding from RBL alongside other Service charities. Alternative sources of income are being explored.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. 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% (2018: 0.40%) and for the M&G managed Charifund and Charibond investments is reported as 0.60% and 0.37% respectively (2018: 0.54% and 0.36%).

6. PARENT CHARITY

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

	2019	2018
	£'000	£'000
Gross income	3,699	3,692
Results for the year	<u>(754)</u>	<u>(455)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£'000	£'000
Salaries and wages	1,430	1,372
Redundancy and termination costs	12	23
Employer's National Insurance contribution	145	140
Employer's contribution to defined contribution pension scheme	118	119
Other forms of employee benefits	2	3
Temporary staff	5	12
	<u>1,712</u>	<u>1,669</u>

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

36	37
<u>36</u>	<u>37</u>

The full-time equivalent numbers of employees was 34 (2018: 34)

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

	2019	2018
	No.	No.
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£100,000 - £109,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £291,867 (2018: £366,253). This reduction can be attributed to a member of the senior management team leaving part way through the year in 2017-18 and not being replaced.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITY (CURRENT YEAR)

	<u>Charitable activities</u>					2019 Total	2018 Total
	Grants and Welfare costs	Employ- ment costs	Trading activity	Governance costs	Support costs		
	£'000	£'000	£'000	£'000	£'000		
Staff costs (note 7)	444	770	117	-	381	1,712	1,669
Staff T&S, training & development, and HR costs	24	84	3	-	41	152	147
Grants payable to beneficiaries	1,420	-	-	-	-	1,420	1,383
Grants payable to other institutions	20	10	-	-	-	30	50
Service delivery costs	21	99	-	-	-	120	122
Accommodation costs	-	-	-	-	251	251	223
IT costs	22	28	3	-	37	90	99
Marketing and communication costs	19	125	19	-	45	208	212
Project costs	-	102	-	-	6	108	14
Office costs	4	2	7	11	33	57	51
Legal costs	-	-	30	14	-	44	15
Trustee costs	-	-	-	16	-	16	11
Auditor fees	-	-	-	14	-	14	17
Auditor non-audit fees	-	-	-	1	-	1	5
Irrecoverable VAT	-	3	-	-	98	101	88
	1,974	1,223	179	56	892	4,324	4,106
Support expenditure	306	504	82	-	(892)	-	-
Governance	19	32	5	(56)	-	-	-
Total Expenditure 2019	2,299	1,759	266	-	-	4,324	4,106
Total Expenditure 2018	2,513	1,593	-	-	-	-	4,106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITY (PRIOR YEAR)

	Charitable activities				2018 Total
	Grants and Welfare costs	Employ-ment costs	Governance costs	Support costs	
	£'000	£'000	£'000	£'000	
Staff costs (note 7)	461	624	-	584	1,669
Staff T&S, training & development, and HR costs	25	70	-	52	147
Grants payable to beneficiaries	1,383	-	-	-	1,383
Grants payable to other institutions	25	25	-	-	50
Service delivery costs	17	105	-	-	122
Accommodation costs	-	-	-	223	223
IT costs	31	34	-	34	99
Marketing and communication costs	25	106	-	81	212
Project costs	-	13	-	1	14
Office costs	3	1	10	35	49
Legal costs	-	-	15	-	15
Trustee costs	-	-	11	-	11
Auditor fees	-	-	17	-	17
Auditor non-audit fees	-	-	5	-	5
Irrecoverable VAT	-	-	-	88	88
Trading activity	-	2	-	-	2
	<u>1,970</u>	<u>980</u>	<u>58</u>	<u>1,098</u>	<u>4,106</u>
Support expenditure	516	582	-	(1,098)	-
Governance	27	31	(58)	-	-
	<u>2,513</u>	<u>1,593</u>	<u>-</u>	<u>-</u>	<u>4,106</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2019 £'000	2018 £'000
This is stated after charging:		
Depreciation	15	15
Operating lease rentals:		
Property	268	249
Auditor's remuneration (excluding VAT):		
Audit	14	14
Audit - prior year	-	3
Other services	1	5
	<u>1</u>	<u>5</u>

11. GRANT MAKING (CURRENT YEAR)

	Grants to institutions £'000	Grants to beneficiaries £'000	2019 £'000	2018 £'000
Cost				
Grants and Welfare grants	20	1,420	1,440	1,408
Employment grant	10	-	10	25
	<u>30</u>	<u>1,420</u>	<u>1,450</u>	<u>1,433</u>
At the end of the year	30	1,420	1,450	1,433

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 and 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 and Welfare Department as a whole. Full costs of the Grants and Welfare Department can be seen at note 8.

The Employment Department has contributed to the project Veterans Work - The Debate. This follows on from the previous Veterans Work campaigns in partnership with Deloitte and FiMT with the OA contributing towards the officer element of the research.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. GRANT MAKING (PRIOR YEAR)

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

13. TANGIBLE FIXED ASSETS

	Leasehold Improvements £'000
Cost:	
At 1 October 2018	76
	<hr/>
At 30 September 2019	76
	<hr/>
Depreciation:	
At 1 October 2018	42
Charge for the year	15
At 30 September 2019	57
	<hr/>
Net book value	
At 30 September 2019	19
	<hr/> <hr/>
At 30 September 2018	34
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. 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 at the year end. Contributions paid by the OA in the year amounted to £118K (2018: £119K). 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 (2018: 7) members of this scheme.

15. TRUSTEES

No Trustee received remuneration. 13 Trustees (2018:13) were reimbursed expenses incurred for travel and accommodation. In 2019 this amounted to £16K (2018: £11K). 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.

16. 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 £10,835K (2018: 10,968K) 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 £251K (2018: £223K).

Air Commodore C Coton, a Trustee of the OA, is also Vice-President of RAF Women's Cricket. The OA decided to sponsor RAF Cricket to the sum of £4.5K annually; the contract starts in 2019 - 20. The decision to sponsor RAF Cricket was made before Air Commodore Coton became Vice-President of Women's Cricket. The OA also sponsors RN Ladies Cricket.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

17. INVESTMENTS

	Value at 1 Oct 2018	Proceeds on disposal	Realised gain/ (loss)	Unrealised revaluation gain (loss)	Value at 30 Sep 2019	Historical cost at 30 Sep 19
	£'000	£'000	£'000	£'000	£'000	£'000
THE GROUP AND CHARITY						
Armed Forces Common Investment Fund	10,968	(200)	(9)	76	10,835	8,846
M&G Charifund	4,768	-	-	1	4,769	3,593
M&G Charibond	296	-	-	6	302	300
Total Managed funds	16,032	(200)	(9)	83	15,906	12,739
Programme investments*	31	-	-	-	31	31
Total investments	16,063	(200)	(9)	83	15,937	12,770

* Programme Investments are secured and unsecured loans to beneficiaries for capital expenditure. The balance at 30 September 2019 consisted of 5 (2018: 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 (2018: £ nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. 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).

	2019	2018
	£	£
Unlisted investments:		
OA Advance Limited		
Investment at cost	100	100

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

	2019	2018
	£	£
Turnover	56,009	35,998
Grant from OA to OA Advance Limited	209,656	203,205
Total income	265,665	229,203
Cost of sales	(258,481)	(239,203)
Gross profit	7,184	2,150
Administrative expenses	(7,184)	(2,150)
Operating profit	-	-
Corporation tax	-	-
Net profit for the year	-	-

The aggregate of the assets, liabilities and funds was:

Assets	59,752	36,353
Liabilities	(58,397)	(34,998)
Funds	1,355	1,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

19. DEBTORS

	The Group		The Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	(3)	(3)	(3)	(3)
Amount due from subsidiary undertaking	-	-	53	35
Other debtors	21	28	21	28
Accrued investment income	96	98	96	98
Accrued Poppy Appeal income	-	850	-	850
Other Accruals	100	112	100	100
	<u>214</u>	<u>1,085</u>	<u>267</u>	<u>1,108</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 20 below.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade creditors	6	1	1	1
Grant commitments payable	331	333	331	333
Taxation and social security	39	42	39	42
Accruals	73	114	73	114
	<u>449</u>	<u>490</u>	<u>444</u>	<u>490</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

21. 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
Endowment Funds: OAPEF*	3,462	178	-	1	(178)	3,463
Restricted Funds						
Home of Devenish ¹	-	37	(37)	-	-	-
Sandhurst Trust ²	2	5	(7)	-	-	-
Seafarers UK ³	13	-	(13)	-	-	-
Grants and Welfare co-operation ⁴	-	334	(334)	-	-	-
Forces in Mind Trust ⁵	104	-	(43)	-	-	61
ABF The Soldiers' Charity ⁶	25	(25)	-	-	-	-
In memory donations ⁷	-	1	(1)	-	-	-
Total Restricted Funds	144	352	(435)	-	-	61
Unrestricted Funds	13,852	2,966	(3,889)	73	178	13,180
Total Funds	17,458	3,496	(4,324)	74	-	16,704

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

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

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

4 Grants and Welfare co-operation: For the purpose of providing grants to specific beneficiaries.

5 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.

6 ABF The Soldiers' Charity: Funding the development of a self-analysis tool, this grant has subsequently been returned.

7 In memory donations: Various funds received to be used by the Grants and Welfare Department to help others in need.

* The OAPEF - The Officers' Association Permanent Endowment Fund

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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:

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

Charities Subsumed into the OAPEF. The OAPEF incorporates the funds of the Bourke Trust, an unincorporated registered charity no.209998, and the Lieutenant Humphrey Herbert Mayer Memorial Fund[†], an unincorporated registered subsidiary charity no.201321-6. Those charities were de-registered on the same date. The new charity also incorporates the funds previously held under the title The Officers' Association Permanent Endowment Fund.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

22. 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
Endowment Funds: OAPEF*	3,514	167	-	(52)	(167)	3,462
Restricted Funds						
Home of Devenish ¹	-	50	(50)	-	-	-
Sandhurst Trust ²	1	9	(8)	-	-	2
Seafarers UK ³	19	0	(6)	-	-	13
Grants and Welfare co-operation ⁴	-	302	(302)	-	-	-
Forces in Mind Trust ⁵	-	115	(11)	-	-	104
ABF The Soldiers' Charity ⁶	25	0	-	-	-	25
Royal Engineers Officers' Widows Society (REOWS) ⁷	8	0	(8)	-	-	-
Total Restricted Funds	53	476	(385)	-	-	144
Unrestricted Funds	14,346	2,848	(3,721)	212	167	13,852
Total Funds	17,913	3,491	(4,106)	160	-	17,458

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

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

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

4 Grants and Welfare co-operation: For the purpose of providing grants to specific beneficiaries.

5 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.

6 ABF The Soldiers' Charity: Funding the development of a Self Analysis Tool.

7 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 2019

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CURRENT YEAR)

Group	Investments	Fixed Assets	Cash	Net Current Assets	Total
	£'000	£'000	£'000	£'000	£'000
OA Permanent Endowment Fund	3,463	-	-	-	3,463
Restricted funds	-	-	61	-	61
Unrestricted					
General	12,443	19	922	(235)	13,149
Programme Investments	31	-	-	-	31
Total Unrestricted	12,474	19	922	(235)	13,180
Total	15,937	19	983	(235)	16,704

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

25. OPERATING LEASE COMMITMENTS

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

	Property	
	2019	2018
	£'000	£'000
Leases which expire:		
Within one year	29	31
Within two to five years	-	7
	<u>29</u>	<u>38</u>

26. RECONCILIATION OF CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY TO CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	Group	Group
	£'000	£'000
Net (expenditure)/income for the year	(754)	(455)
Depreciation charge	15	15
(Gains) on investments	(74)	(160)
Investment income	(644)	(647)
Decrease in debtors	871	52
(Decrease) in creditors	(41)	(46)
Cash outflow from operating activities	(627)	(1,241)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

27. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2018)

	<i>Notes</i>	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000
INCOME FROM:					
Donations and legacies	3				
The Poppy Appeal		1,998	-	-	1,998
Other donations and legacies		334	59	-	393
Charitable activities					
Grants and Welfare activity		-	302	-	302
Employment activity		-	115	-	115
Investments					
		480	-	167	647
Other trading activity	18	36	-	-	36
Total Income		2,848	476	167	3,491
EXPENDITURE ON:					
Charitable activities					
Grants and Welfare department	9	(2,139)	(374)	-	(2,513)
Employment department	9	(1,580)	(11)	-	(1,591)
Trading activity					
		(2)	-	-	(2)
Total Expenditure		(3,721)	(385)	-	(4,106)
Net (expenditure)/income and net movement in funds before gains/(losses) on investments		(873)	91	167	(615)
Net gains/(losses) on investments	17	212	-	(52)	160
Net income/(expenditure)		(661)	91	115	(455)
Transfers between funds	22	167	-	(167)	-
Net movement in funds		(494)	91	(52)	(455)
Reconciliation of funds:					
Funds brought forward		14,346	53	3,514	17,913
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2018		13,852	144	3,462	17,458

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OFFICERS' ASSOCIATION

OPINION

We have audited the financial statements of the Officers' Association (the 'the parent charity') for the year ended 30 September 2019 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 2019 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.

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 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- 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.

SIGNED IN THE ORIGINAL

Date: 14 February 2020

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: 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

Vice-Presidents: P B Mitford-Slade Esq OBE
J D M Fisher Esq OBE
A J Spofforth Esq BA FCA
Mrs J R Lynch



Left to right: Sir Baz North, Sir Richard Ibbotson and Lieutenant General Andrew Figgures

CHARITY INFORMATION CONT.

Trustees:

Chairman of the Executive Committee

A J Spofforth Esq BA FCA

Members of the Executive Committee

Air Vice Marshal L S Chisnall CB

Air Commodore C Coton

B Farrell Esq MBE

J Holdsworth Esq (until 1 October 2019)

Commander J Lea RN MBE

Surgeon Rear Admiral C J G McArthur FRCP

Major General M J Rutledge CB OBE

R Sankey Esq

R Saund Esq JP DL

R Sinclair Esq

A Singleton Esq (until 30 September 2019)

Ms D Stephenson

Ms D Thomas

Vice-Patrons:

Captain A C Chambers DL

Air Commodore J Chandler CBE

Captain R M Esden MBE

F Froud Esq

Captain J Harvey LVO RN

Air Vice Marshal N S Howlett CB

Air Commodore P G Johnson OBE

Colonel the Reverend P Lear FCMA Dip Theol

Major General A P W Maclellan CB CVO MBE

Brigadier J M A Nurton OBE MC

N J Reid Esq

D M F Scott Esq MA

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, Operations Director

Mrs J Killip, Finance Director

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 2018-19 reporting year:

Service Charities

Association of Jewish Ex-Servicemen and Women
Burma Star Association
Forces In Mind Trust
Help for Heroes
OA Scotland
Royal Patriotic Fund Corporation
The Royal British Legion Central Grants
The Royal British Legion Women's Section

Royal Navy, Royal Marines and Maritime Charities

Greenwich Hospital
Royal Marines Upton Kelly Memorial Fund
Royal Naval Benevolent Trust
Royal Navy Officers' Charity
Royal Navy and Royal Marines Charity
Royal Navy and Royal Marines Children's Fund
Seafarers UK
Women's Royal Naval Service Benevolence Trust

Army Charities

ABF The Soldiers' Charity
The Adjutant Generals Corps Regimental Association
Army Air Corps Association
Auxiliary Territorial Service/ Women's Royal Army Corps Association Benevolent Fund
Coldstream Guards Regimental Charitable Funds
Corps of Army Music
The Mercian Regiment
The Mercian Regiment Benevolent Charity
Queen Alexandra's Royal Army Nursing Corps Association
Royal Armoured Corps War Memorial Benevolent Fund

Army Charities cont.

Royal Army Medical Corps Charitable Funds and Association
Royal Artillery Charitable Fund
Royal Electrical and Mechanical Engineers Benevolent Fund
Royal Engineers Association
Royal Engineers Officers' Widows Society
Royal Logistic Corps Association Trust
Royal Military Police Central Benevolent Fund
Royal Regiment of Fusiliers Aid Society
Royal Signals Association
Royal Tank Regiment Association and Benevolent Fund
The Rifles
SAS Regimental Association
Sirmoor Rifles Association (UK) Trust
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 2018-19 reporting year:

The Air Pilots Benevolent Fund
Benevolent Fund of the Institution of Engineering and Technology
Education Support Partnership
Elizabeth Finn Care
Guild of Aid
The Home of Devenish
Professionals' Aid Council
Solicitors Benevolent Association
St Andrew's Society
The Printing Charity

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 Commonwealth Ex-Services League
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.

If you would like to make a donation or remember the OA in your will, please contact Nigel Hare, Operations Director:
E: n.hare@officersassociation.org.uk
T: 0207 808 4160.

COMPANIES SUPPORTING EMPLOYMENT

The OA acknowledges with thanks the help given by the following companies, organisations and networking groups whose support has assisted the Employment Department's activities:

Companies

Aecom
AlixPartners
Amazon
Atkins
Balfour Beatty
Barclays
Blackrock
Bloomberg
Bristol Management Centre
BT
CAPCO
Citibank
Clifford Chance
Crucial Academy
Deloitte
FDM
Goldman Sachs
Google
Herbert Smith Freehills
Highways England
High Speed 2
HSBC
IWFM
KPMG
Moody's Investors Services
Network Rail
Newcastle upon Tyne and York Hospitals NHS Foundation Trusts
Nexus
NHS Transformation Unit
OnBoarding Officers
PA Consulting
Security Cleared Jobs

Companies cont.

Siemens
St James's Place Academy
Step into Health (NHS Employers)
Tesco
Thames Water
Transport for London
TSG Marine
Turner & Townsend
Uber
UBS
University Hospitals Birmingham
Virgin Money
Wales and West Utilities
Wellington Management International
X-Forces Enterprise

ORGANISATIONS AND NETWORKING GROUPS

The Alma networking group
Business in the Community Cymru
City Veterans' Network (CVN)
Forces into Health
The Leaders Club
Lloyds Military Network (LMN)
Midlands Military Meet (M3)
North East Officers' Network (NEON)
ONWaRD networking group
Porffor Group - Cardiff
Two Roses networking group





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

Tel: 020 7808 4160

www.officersassociation.org.uk