



Annual Report
2015-16



Founding purpose of the OA

The primary object of the Association shall be by grants of money loans guarantees and other financial methods to relieve distress among the following persons (whether men or women) and their wives, widows, husbands, widowers, children and dependants namely persons who have at any time held a commission in Our Naval, Military or Air Forces and to aid and assist and promote the interests of all such persons in such ways as are legally charitable.

To re-establish ex-Officers of Our Forces in civil life.

Extract from Articles II and III of the Officers' Association's

Royal Charter

dated 30th June, 1921

THE OFFICERS' ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

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Introduction by the Chairman of Trustees



Alex Spofforth
Chairman of Trustees

This Annual Report reflects on a year of investment, as we continue to transform the Officers' Association (OA), to remain alert to the needs of those who looked after us in military service, but also to look forwards across the landscape of the 21st century and anticipate the challenges of the future.

The anniversary of the Battle of the Somme this year was a poignant reminder of our roots as a charity; young officers, often rapidly promoted and thrown into action, returned from some of the most harrowing battlefields of the last century, and often quietly slipped back into society, with feelings of guilt for those they left behind. They were told that the best way to deal with it was not to talk it through, but there gradually became the recognition that active support was needed and hence the OA began. Some years ago now I found out, almost by mistake, that my neighbour had been on the front line at the Somme, aged 17. He shrugged his shoulders as he told me some of his memories and tried to control his shaking hands, admitting that he had done all he could but it was never enough to return most of his pals. As a 17 year old too at the time of that conversation, I walked away from his house with my own hands shaking.

We know who the OA are looking after; but we don't necessarily know about the others, and continue to reach out to find them and offer them assistance if they need it. Social media and more connected communities allow us to make ourselves more available, and even the smallest amount of well-placed contact can make a huge difference. So it is vital to use these tools to reach across the digital world to offer a helping hand.

We will continue the investment for better returns, financial and social, for our beneficiaries, as this report shows, realising about £1m from investments and investment income, to spend about £1m net outflow on operating activities in each of the last two years (page 39).

Charities are looked to as trusted organisations in a society full of inequalities and a challenging economy; the public interest in our sector is best served by enabling and supporting our charitable organisations to serve together, as we have been served by those we try to help. Our duty is to be as professional about that as we can, and to retain a moral and ethical core which might just be worthy of the memory of those officers no longer with us.

Chief Executive Officer's Report



Lee Holloway
Chief Executive Officer

2015-16 has been a year in which the Officers' Association has found itself operating in a charity world undergoing significant and rapid change. Much of 2015-16 will be remembered in the sector for all the wrong reasons. While some smaller charities received much praise, larger household names came under fire for fundraising malpractice and poor governance. It was therefore all the more vital that the OA ensured the services delivered to its beneficiaries were backed by robust, effective governance and processes, meeting best practice standards. The Trustees, with the support of an independent expert, focussed on governance at their annual strategy awayday. This will be followed up by a full internal review on which we will report next year.

Data Protection (DP) was also a subject that, while not causing concern, was a matter worthy of consideration as the introduction of the General Data Protection Regulation (GDPR) in 2018 approaches. An independent DP audit was commissioned towards the end of the 2015-16 year; we shall also report on this next year. However, I am happy to note that the initial findings of the independent auditor were favourable and positive.

The Benevolence Department continues to provide an essential service to our beneficiaries. It was with great sadness that we said goodbye to Evelyn Strouts who headed the department for over 6 years. However, she has been replaced by Commander Nigel Hare RN (Rtd) who has quickly settled into his new role. The department has been left in no doubt of the need to maintain the momentum of the initiatives set by the Board of Trustees at the beginning of the year: the necessity of raising awareness among potential beneficiaries and the development of effective tools and processes to measure the outcome and impact of our Benevolence services. This will in turn enable the OA to best meet the changing demands of our beneficiaries. These initiatives will be supported by in depth professional research into the needs of the officer corps and their dependants.

The Employment Department has had a different dynamic. The constant changes in Defence policy, its manpower requirements and the economic environment require this department to have a degree of flexibility in its operations. Considerable weight is being thrown behind the core message to the business community that officers are "good for business." Former officers bring a huge variety of hard and soft skills which can give a significant return on investment. The OA has partnered with the Forces in Mind Trust (FiMT) and Deloitte to provide industry with empirical evidence in support of the case for employing former officers. The consequent report, "Veterans Work", was published in November 2016 and is of interest both to those in transition and to the business community.

Support services to the above departments are a vital part of the organisation, but one that comes at a significant cost. The tasks of administration and governance within any charity are continually evolving in detail and complexity, requiring continual training and resources, sometimes including recruitment of new staff. This is a necessary cost for a responsible and professionally run charity, but we will continue to review the expenditure regularly and stringently to ensure that it is justified and appropriate. Developing the Marketing team within the OA has also had an impact on the budget, but it gives the Benevolence and Employment Departments the capability to deliver their messages and services effectively and is central to everything the OA will achieve in the coming years.

In the year ahead we need to develop the strategy for the OA to operate over the longer term (10-15 years). The Senior Management Team and the Trustees will have to envisage where the organisation needs to be, the services it should be delivering and how to do so. In the shorter term (2-3 years), funding sources and agreements with such organisations as the Royal British Legion (RBL) will be reviewed in order to meet the needs and aims of all parties involved.

As I have said, 2015-16 was a year of change: as the year drew to a close, there were a number of resignations and appointments at CEO level in military charities, some of strategic significance to the OA. As CEO I will continue to focus considerable effort on ensuring that the OA maintains a culture of co-operation with our fellow organisations.

Trustees' Report

The Trustees of the Officers' Association present their Annual Report and the audited financial statements for the year ended 30 September 2016.

Trustees, Volunteers and Staff

Trustees. The OA has 12 Trustees. The Trustees are listed on Page 50.

Volunteers. The Trustees offer their sincere thanks to all the Volunteers who have provided unwavering support to the OA throughout the last year for their outstanding contributions to the Charity's continuous effectiveness:

- **Honorary Representatives ("Hon Reps").** A total of **165** Hon Reps in the United Kingdom and overseas have played a key role in delivering effective support by visiting and investigating the circumstances of potential beneficiaries and assessing the outcome and impact of the support we have provided.
- **Employment Volunteers.** Some **580** volunteers on the Network Contact List have given support to job seekers, supplementing Career Consultant advice with relevant and effective sector and role-specific knowledge and guidance.
- **Caseworkers from Other Charities.** Caseworkers from the Soldiers, Sailors, Airmen and Families Association (SSAFA), The Royal British Legion (RBL), the Royal Air Force Association (RAFA), the Royal Commonwealth Ex-Services League (RCEL) and Zimbabwe A National Emergency (ZANE) have visited beneficiaries where the OA has no Hon Reps.

Our Staff. The Trustees are again most grateful for the dedication, hard work and expertise of the Charity's **28** full-time and **8** part-time salaried staff during a year of sustained, intense activity.

Co-operation with Other Charities and Organisations

During the last year, the OA demonstrated its continued commitment to effective co-operation with other charities and organisations who share an interest in the welfare of our beneficiaries. Among the enabling work done by our Benevolence Secretaries is the proactive engagement and joint case-work with other Service and civilian charities, in particular to generate augmented payments. This activity is central to fulfilling the OA's commitment to delivering support to our beneficiaries that is efficiently co-ordinated, effectively targeted and appropriately resourced. The effectiveness of our employment services has increased considerably as a result of improved communications, better awareness of our services, broader engagement and closer co-operation with potential employers and other organisations providing employment services. The charities and other organisations that have contributed to the support co-ordinated and delivered by the OA in the last year are acknowledged at the end of this Report. The Trustees are profoundly grateful to these charities and organisations for their continued support to our beneficiaries and job seekers and for the excellent working relationships that our staff have continued to develop with them throughout this year.

- This year, the OA has administered £488K in co-operation, almonisation and restricted donations from 52 different charities. This resulted in 4,066 payments to individuals, suppliers to beneficiaries, care homes and other organisations. We offered our beneficiaries the opportunity to thank the contributing charities personally by providing them with the details of who supported them and their relevant contact details.
- As a member of Cobseo, the Confederation of Service Charities, the OA has open channels of communication with other organisations who share an interest in our beneficiaries. The OA's CEO sits on both the Cobseo Executive Committee and its Finance Committee. We have worked closely and effectively with other charities in the Confederation this year, to support joint employment, research and benevolence initiatives.
- The range of services offered to job seekers, the different means and platforms through which the OA communicates relevant information, our presence in the Regions and the number of organisations who have supported and engaged with OA employment initiatives have all broadened during the year, giving the OA a much enhanced public profile and making our outreach more effective.

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- The OA continues to work closely with the Career Transition Partnership (CTP), the MOD contractor for the provision of transition services to Service leavers. They direct Service leavers to the OA for the specialist employment services we are uniquely placed to offer to former officers seeking executive roles.
 - The London-based Head Office of the OA is an occupant of Mountbarrow House under licence from ABF – The Soldiers’ Charity. We share certain building services with them and also share the services of a receptionist with the Regular Forces Employment Association (RFEA). The OA continues to benefit from arrangements that are cordial, efficient and, importantly, cost-effective. The Trustees are most grateful to The Soldiers’ Charity for their close co-operation.

> Benevolence

Overview

Central to the Benevolence Department's ethos is our approachability, openness and emphasis on providing a personal service to our beneficiaries. The change over time in the number, circumstances and needs of beneficiaries requires the Department to develop continuously the way in which it assesses need, delivers support and reviews the outcomes and impact of that support. We have been proactive in ensuring that both our structure and our procedures are optimised to deliver the most effective impact on our beneficiaries' lives.

The Department has a robust and resilient structure comprising the core, salaried staff and a network of Honorary Representatives ("Hon Reps"), all volunteers, upon whose assessments and reports, carried out with appropriate sensitivity, we rely heavily. The core of the Department remains based in London, which allows the full-time staff appropriate, direct contact with the CEO, other Departments and the Trustees, as required. This has proved to be the most efficient and effective arrangement for ensuring that the Hon Reps, based around the country, are unencumbered by the need to conduct the liaison and administration that we are best placed to carry out in support of their work. Our strength and depth across the Department continues to be in our collective wealth of experience in assessment and grant making and the sensitivity, care and concern we have applied to dealing with each individual beneficiary's needs.

Personal engagement and assessment by the Hon Reps remains fundamental to the way we wish to deliver direct support to our beneficiaries. To complement their work, several development initiatives have been pursued throughout the year, which aim to enhance the efficiency and effectiveness of how the Benevolence Secretaries can assess, administer and deliver the required support. Our intent is better targeted, appropriate, holistic support made easier to deliver. The benefits of these initiatives should be felt, in priority order, by the beneficiaries, the Hon Reps and the core staff. While still in the early stages of their implementation, the benefits they will bring are already manifest.

The Department has continued actively to pursue additional funds throughout the year, mostly in the form of co-operation and almonisation with other organisations. We are also grateful for the block funding that we have received from various sources. We have found that receiving larger amounts of money in this form, with specific criteria attached on how that money can be used, results in much more cost-effective use of staff time and effort.

The Trustees, staff, volunteers and beneficiaries past and present thank Evelyn Strouts, who retired in June 2016, for her outstanding work during her six year tenure as Head of Benevolence.

Objectives

Summary

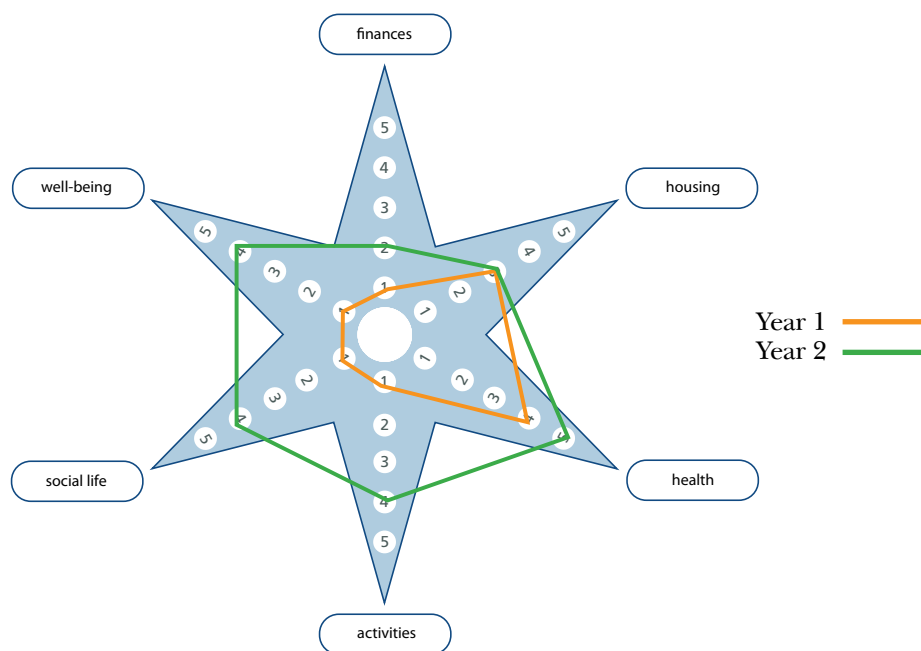
The Benevolence Department's objectives during the last year provided a development agenda for the progressive enhancement of the way in which we resource, deliver, assess and review the support we provide, in concert with our continuing provision of financial assistance to beneficiaries in need. Of the three broad and challenging objectives in this ambitious programme, the first was to increase awareness of the services the Department offers. The second was to enhance the way in which we can measure and assess the impact of these services. The third was to develop and implement plans to enhance the range of services, so that in the future we may provide a more appropriately holistic and better targeted approach to meeting individual needs.

Activities: Meeting our Objectives

Increasing Awareness of the Benevolence Department's Services. This year we commissioned a programme of targeted research to provide better understanding of how awareness of the Department's services might be improved. Two of the three planned pieces of work, which relate to the numbers and distribution of those who require support, have already been undertaken. Of these, one task considered the needs of current beneficiaries while the second considered what future beneficiaries might require. The third piece of work required to complete the programme study, which will consider the demographic profile of beneficiaries, should be complete by the spring of 2017.

While this work is ongoing, we have been proactive in taking opportunities to improve the public profile of the Department by increasing our visible presence on social media networks. Although this initiative only began towards the end of the period covered by this report, there is already clear evidence that this will increase significantly both public awareness and the accessibility of our services.

Measuring Impact – Introduction of the Independence Star™. Much of the significant progress made by the Department over the past year has been in our ability to assess the outcomes and measure the impact of the support we deliver. Last year’s annual report introduced The Independence Star, which is a bespoke assessment, reporting and analysis tool. Among its many strengths it provides a framework on which the beneficiary and the assigned Hon Rep can jointly develop a well-considered and meaningful assessment of the beneficiary’s immediate needs in the form of a Star Report. By being given ownership of this report, we enable the beneficiary to create an easily interpretable overview of their circumstances and how we may help them, through appropriately targeted support, to address their problems. Giving beneficiaries the means to appreciate and understand their situation has been shown to be a significant component of assistance. The Star Report provides this understanding particularly effectively. The Independence Star methodology also provides us with the means to track and assess the outcomes and impact, over time, of the programme of support we have developed to match assessed needs. This information is as accessible to the beneficiary as it is to the Hon Rep and to the Benevolence Department and is a highly effective additional means of supporting our beneficiaries. The project has not been established long enough for us yet to have gathered and assessed sufficient, meaningful statistics. It is, however, already clear to us that the tool is powerful, effective and easy to use. Indeed its use, far from being a bureaucratic burden, helps our Hon Reps to deliver support and enhances beneficiaries’ capacity for recovery. In the spirit of co-operation with other charities and organisations that is characteristic of the OA, we are highlighting the value of the Independence Star. Help for Heroes and the Royal British Legion are both adopting it which, it is hoped, will encourage more organisations to follow.



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Improving and Broadening Services. Our research has also led us to bring more focus to bear on issues relating to loneliness and on assistance with legal issues. Consequently, the OA has begun working in partnership with Age UK and their “Call in Time” telephone friendship service and with The Silver Line Helpline, the charity set up by Esther Rantzen to help combat loneliness. We also now partner with Law Express, who provide telephone advice on legal issues.

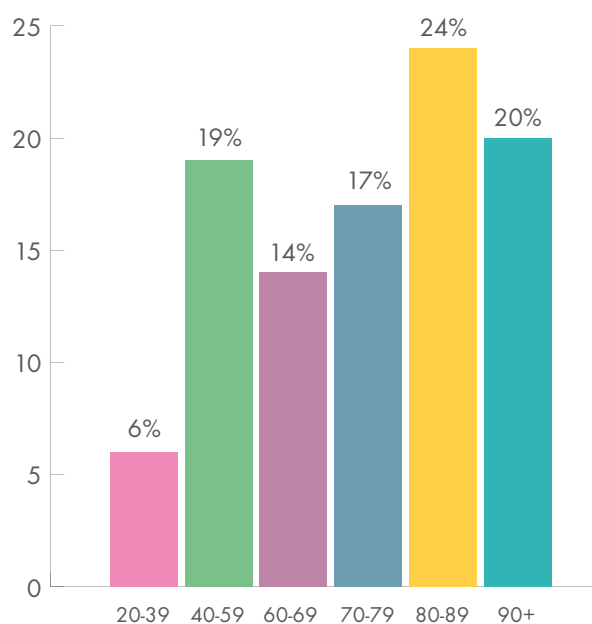
Providing Financial Assistance and Support. The primary object of the OA, set out explicitly in its founding charter, is the provision of financial support to beneficiaries. This activity remains the most significant means we have to support our beneficiaries. Through the sustained activity of our Benevolence Secretaries throughout the year, we managed to secure significant additional funds in co-operation and almonisation from civilian and military charities and other grant-making organisations. The following gives a synopsis of the range of financial assistance and support activities we have offered throughout the year:

- **Grant Allocations.** We allocated £1,082K in grants this year to 576 beneficiaries. These grants are awarded for a 12 month period and span the financial year.
- **Additional Funding.** We secured an additional £398K in co-operation and almonisation from 52 different organisations and a further £90K in restricted donations for distribution to beneficiaries.
- **Overseas Support.** Some of our beneficiaries live abroad and in some cases face financial difficulties exacerbated by the unique circumstances of their residence overseas. We assisted 138 beneficiaries in 27 countries over the past year, including, of particular note: 40 in Zimbabwe, 14 in South Africa and 14 in Spain.
- **Care Homes and Care at Home.** In supporting beneficiaries with care home fees, we assisted 32 individuals this year with top-ups. We also supported eight people who need care, but wish to remain at home, through the provision of a grant towards carer's fees.
- **Disabled Officers' Garden Homes.** We continue to look after the welfare of the residents of the Disabled Officers' Garden Homes and to select new residents. A case study describing the Homes and the support we provide is featured below.
- **Information Support.** In line with our objectives to broaden the portfolio of services that the Department can offer, and in response to our research, we have provided information and support to 989 people on a variety of issues including residential care and welfare benefits.

Targeting and Tailoring: Our Beneficiaries, Their Needs and Our Support. The following series of graphs highlights whom we help in terms of age, gender, Service and marital status. The need for support, especially that generated by financial stress, is not limited to any particular age-group which is reflected in the broad age range of the beneficiaries we assist. Perhaps inevitably, we assist mostly elderly beneficiaries; many of whom are widows. The division of recipients by their former Service illustrates that we receive requests broadly in line with the relative sizes of the three Services, acknowledging that these have changed over time.

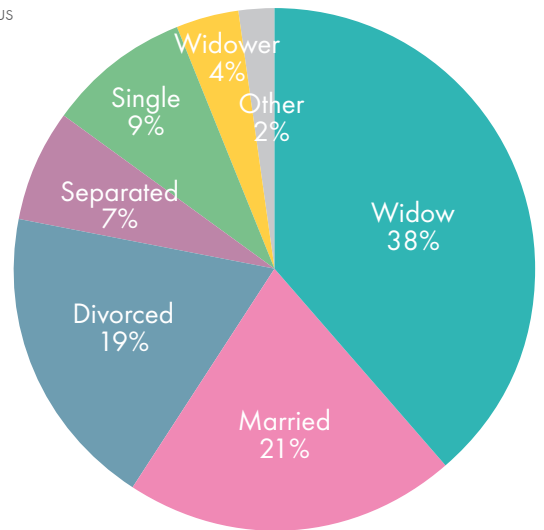
- **Current Demographic Profile.** 50% of our beneficiaries are in the broad age bracket covering from age 40 to 80. 44% of the beneficiaries are aged 80 and over with a fifth of all beneficiaries aged over 90. At present, just 6% of beneficiaries are under 40.

Age of Beneficiaries



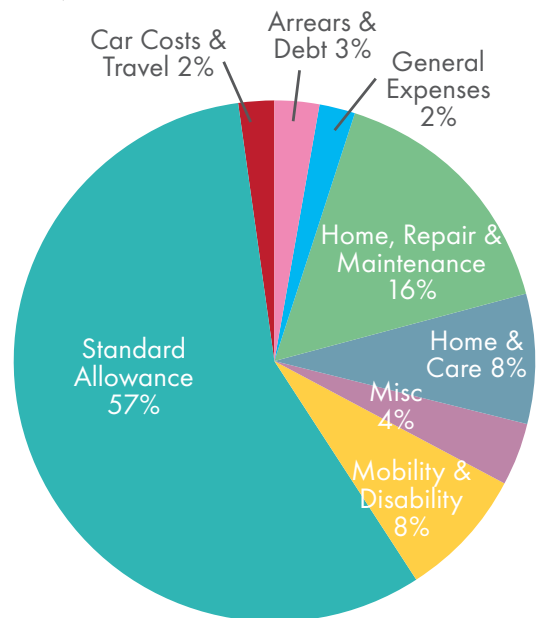
- Marital Status.** Almost 40% of our beneficiaries are widows, which may reflect both the age demographics and that, historically, Service and state pension arrangements were less favourable to the wives of officers than they are now. The proportion of married and divorced beneficiaries is approximately the same; an average of 20% in each category which, when aggregated, matches the proportion that are widows.

Marital Status



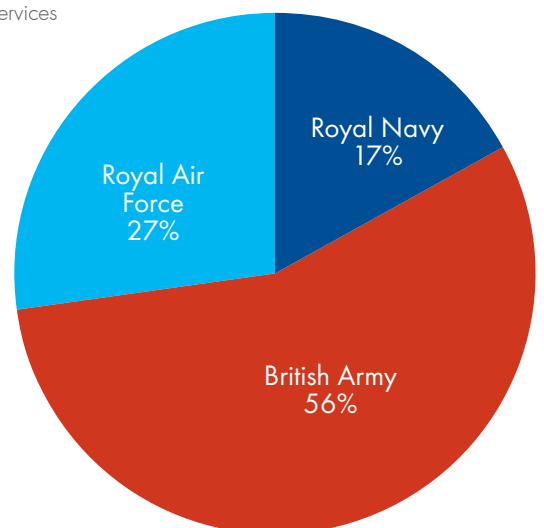
- Types of Grant Provided.** Over half of the grants provided, 57%, were the Standard Allowance; a slight increase from the 2014-15 allocations. Home, repair and maintenance, home care and mobility and disability allowances together accounted for just under a third of grants awarded, a very slight decrease from the 2014-15 allocations in the same categories.

Types of Grant Provided



- The Three Services.** Our beneficiaries comprised 56% Army, 27% RAF and 17% Royal Navy.

The Three Services



Benevolence Objectives in Action - Illustrative Case Studies

The Positive Impact of Appropriate Delivered Direct Financial Support.

A retired Naval Officer wrote in after receiving regular assistance to thank us not only for the financial support he received but also for the appropriateness of the way in which his case was assessed. Making potential beneficiaries aware of the way we offer support is as important as their awareness of the sort of support for which they may be eligible. The letter also illustrates the importance of the Hon Reps to the effective delivery of support.

Improving Awareness of the Benevolence Department.

Development of our profile on social media networks has been supported by some inspiring beneficiaries who have been happy to share their stories. Such examples reinforce the positive message that the OA is there to help to transform lives.

I would like to thank the Officers Association for all the help and advice they have given me in the past years.

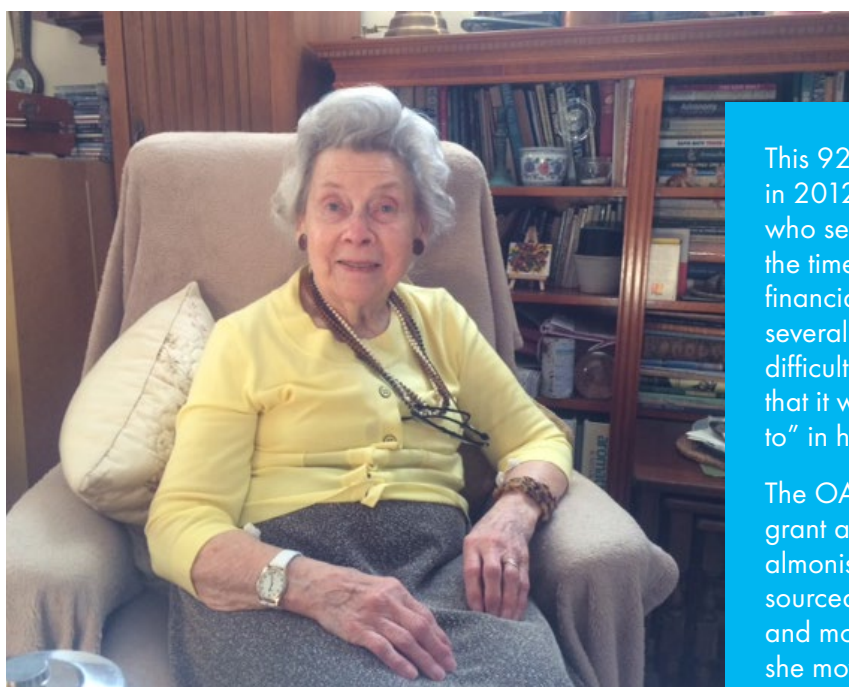
I am particularly grateful for the way my case has been handled. Your Representatives who have called have been charming and at no time have I felt uncomfortable talking about my financial affairs to them - not always an easy task to strangers - and I am grateful for their kindness and the financial help I have received which has made my life more comfortable and relieved me of a great deal of stress and feeling of inadequacy.



Mr Robert Ellis, pictured attending and clearly enjoying a Garden Party at Buckingham Palace, is a 92 year-old widower who lives on his own in a retirement flat. Over the past year or so he has had to cope with many health issues that had been detrimental to his well-being. The OA has helped to transform his life by providing him with an electric armchair.

We were very fortunate to be offered tickets by the Not Forgotten Association to a Royal Garden Party at Buckingham Palace. Mindful of Mr Ellis' circumstances, we invited him to attend. He told us that he had an amazing day and he very much enjoyed the opportunity to meet up and share a common bond with old friends and acquaintances.

Partnering with Other Charities to Combat Loneliness. The initial response to our partnerships with Age UK, The Silver Line Helpline and with Law Express was not as positive as we had hoped. Given the demographics of our beneficiaries, in the case of Age UK and The Silver Line Helpline this was particularly surprising. Our targeted research had identified the wide scale of loneliness (Age UK had assessed that 1 million older people regularly go an entire month without speaking to anyone) and the strongly negative influence of loneliness on well-being and resilience. Combatting loneliness must, therefore, be considered a core component of our targeted support plans. We intend to undertake work to enhance awareness of these partnerships and the benefits they can bring. We signpost these organisations' services to our beneficiaries and when they are used, they can prove extremely rewarding. The following case study illustrates an example of "holistic" support, consisting of advice and direct financial support from the OA and specialist advice and support from an OA partner to whom the beneficiary was directed.



This 92 year old lady first approached the OA in 2012. She is the widow of an ex-Army officer who served during the Second World War. At the time of her initial contact she had fallen into financial difficulty, having lost her husband after several years of caring for him. Her financial difficulties exacerbated her grief and she told us that it was reassuring to have "someone to turn to" in her time of need.

The OA provided a standard allowance grant and secured additional help through almonisation from two other charities. We sourced financial advice to assist her with debt and money management. A few years later she moved to sheltered accommodation and sold her home. The sale stabilised her financial situation and she no longer needed financial assistance from the OA.

However, she has remained in frequent contact with us. The Benevolence Secretary whom she calls regularly sensed that she would benefit from the Age UK's "Call in Time" service. Earlier this year the lady agreed to be referred and now receives calls every Friday afternoon with one of their volunteers.

She says that the help received from the OA has made a huge difference to her life. She has told us that the link-up with the Age UK service has been fantastic and that it will be particularly helpful in the winter months when she feels a lot more cut off as she is unable to get out and about.

The Disabled Officers' Garden Homes

The Officers' Association has the unique capability to offer accommodation to disabled retired officers and their families in the Disabled Officers' Garden Homes at Leavesden near Watford. The twelve centrally-heated bungalows on this delightfully secluded and tranquil two-acre estate have either two or three bedrooms, a lounge/dining room, a kitchen and a bathroom. Each has a small open front garden with parking space and a larger back garden with garage at the rear, to which there is a separate entrance drive. They all overlook an attractive, central, communal garden that is bordered by a private access road. Shops and other amenities are close at hand, together with easy access to fast road and rail links to London and other parts of the country.

The bungalows and communal garden are maintained to a high standard by the Haig Housing Trust. They provide disabled ex-officers and their families with the opportunity to live in attractive, comfortable and very affordable accommodation. The very modest monthly maintenance contribution paid by the residents does not reflect the high standard of the accommodation and its environment, nor its highly desirable location near London, which make these homes a very attractive place to live.

The Benevolence Department no longer manages the estate but does look after the welfare of the residents and the processes for selecting new residents. Despite the obvious attractions and benefits of being a resident of the Disabled Officers' Garden Homes, finding eligible new residents is challenging. Residents must be in financial and housing need, hardship or distress and be married, in a civil partnership or in a relationship analogous to marriage. Officers interested in becoming resident complete an application form and then attend an informal interview with the Homes Committee. As well as looking after the welfare of the residents, advertising these marvellous facilities to potential new residents is a priority for the Benevolence Department.



The Disabled Officers' Garden Homes at Leavesden, near Watford >

The OA Benevolence Team

The Benevolence Department



Back row from left: Bridget Gallagher (Benevolence Secretary), Rosalind Murray (Benevolence Secretary), Nigel Hare (Head of Benevolence), Rose Atkinson-Park (Benevolence Secretary), Angela Bailey (Hon Rep Support Manager).

Front row: George Hood (Benevolence Secretary), Nahid Malik (Deputy Head of Benevolence), Amanda Muhammed (Benevolence Administrator), Vajira Zeghli (Benevolence Administrator).



A Benevolence Secretary's View: Rose Atkinson-Park

Rose graduated from the University of Kent at Canterbury and worked at Housing 21 Care Options as Care Co-ordinator. She then joined Turn2us, a grant giving charity, for 4 years before moving to Macmillan Cancer Support. Rose joined the OA in 2012.

As Rose explains, "The Benevolence Secretary has a busy role, looking after and advising beneficiaries. As well as being a good listener, you must be able to deal sensitively with people who are going through difficult situations. As a Ben Sec I have to deal with a wide range of enquiries. As well as speaking to beneficiaries, I liaise with volunteers, other charities, external agencies and local authorities.

"No two cases are the same and the situations vary day by day. This aspect of the job makes it very interesting and it is important to know that the help we are giving is making a valuable difference to a beneficiary's life. It really helps to have experience and knowledge of statutory benefit entitlement and a good understanding of other voluntary agencies in order to advise our beneficiaries appropriately. It's also important to keep abreast of changes in statutory funding and welfare benefits and time is spent researching and receiving training in these areas.

"The nature of casework requires you to think analytically and be objective, making assessments in a non-judgemental way. It is a hugely satisfying job when you identify that the support given has helped in a small way to bringing more stability to an individual's life."

Supporting and Enabling the Hon Reps: Angela Bailey

Angela Bailey joined the OA in November 2014 from Elizabeth Finn Care (the charity for professional people) where for 13 years she supported and briefed its 350 visiting volunteers across the UK. Her eclectic portfolio of experience includes the voluntary sector, being a marketing manager for BT and teaching in inner London. She also holds a Master's in Business Administration from London Business School. Her role in the OA includes the recruitment, training, and support of all the OA's volunteer Hon Reps.



As Angela explains, "We are immensely grateful to our 'Hon Reps' who visit our applicants and beneficiaries in their own homes, listen to their stories and report to us on their circumstances, so that the Benevolence Secretaries can be sure to offer the most appropriate support. Without our Hon Reps, the OA could not give the personalised service of which it is so proud. For their part, the Hon Reps tell us that they find their role interesting and rewarding, and a good way to 'give back' to the Services family of which many of them are part."

During the last year Angela supported 165 Hon Reps, 22 of whom live overseas. Eleven new Hon Reps were recruited during the year. She ran 14 briefings across the country to ensure that everyone has the confidence to use the new Independence Star reporting system. Angela keeps the Hon Reps informed through newsletters and emails and she is the author of the Hon Rep Handbook, which includes guidance on visiting, form filling and submitting reports, as well as the OA's policies on all aspects of volunteering. She also commissioned an 'ABC of Welfare Benefits', which lists the various forms of government assistance available to our beneficiaries.

Angela organises annual events for the Hon Reps. Meetings provide an opportunity for a personal update on activities in the OA and the wider charity sector and provide a forum in which the Hon Reps can air their views. In 2016 Angela organised the main conference in London, where participants heard speakers from the Alzheimer's Society, the Directory of Social Change, and The Silver Line Helpline telephone friendship scheme. She is already planning a series of regional meetings that will take place throughout 2017.

Looking Forward: Objectives for 2016-17

Increasing Potential Beneficiaries' Awareness. An important objective for the year will be the development of a comprehensive strategy that aims to build on our successful efforts this year to improve awareness amongst potential beneficiaries of the services we offer. Completion of the third and final piece of work in our targeted research programme will be an important milestone towards meeting this objective. The valuable information and insight gained from this research will be used to underpin our new strategy. The list of services that we either provide, or to which we direct our beneficiaries, will be reviewed as we understand better the nature and scope of the "holistic" approach that our beneficiaries wish us to offer to them.

Assessing Impact. We intend to capitalise on the clear benefits that the successful implementation of the Independence Star tool can bring to beneficiaries and to the OA. It is likely that, with refinements and increased understanding, in one to two years sufficient data will have been gathered to be able to carry out comprehensive, meaningful analysis and interpretation. This, in turn, will enable more relevant, better targeted policies, practices and plans to be developed. The aim of this initiative remains emphatically to provide the best possible support to beneficiaries.

Developing the Hon Rep Network. Given the critical role played by Hon Reps, without whom the OA could not function effectively, we intend to invest considerable effort in developing and optimising the Hon Rep network. This will include a review of how they interact with the OA main office, including ensuring that procedures are fully compliant with Data Protection legislation. Work will also be undertaken to enable more interaction between the Hon Reps and the OA's computer-based Client Relationship Management system, Salesforce.

> Employment

Overview

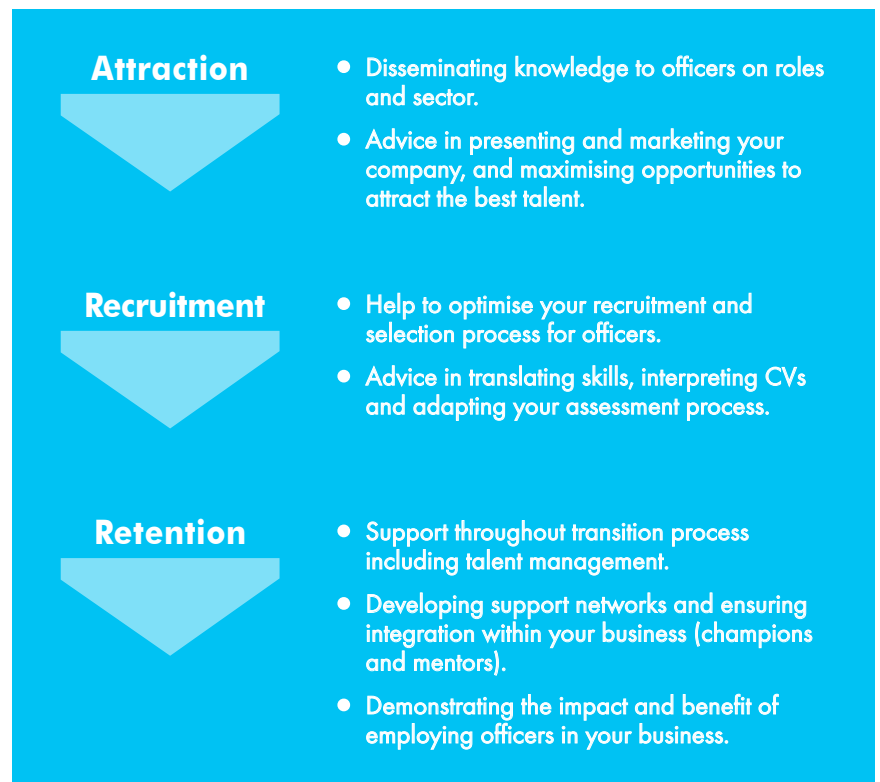
The Employment Department's primary task has remained to support former officers (job seekers) to transition into sustainable civilian employment. To fulfil this task, we develop job seekers' knowledge (**OA Insight**); assist them in building personal networks (**OA Connect**) and bring jobs and other opportunities from employers and organisations who can see the clear benefits of employing Service veterans, in particular ex-officers, to their attention (**OA Appointments**).

As we have reported previously, the OA complements the services offered by the Career Transition Partnership (CTP) while avoiding duplication of effort. The OA is unique in its ability to offer tailored advice and guidance to former and serving officers seeking opportunities in the executive jobs market. This target audience focussed support is fundamental to the success of our service delivery model: we consider that by applying the principles of "client intelligence," understanding well our job seekers' backgrounds and potential employers' needs, we are best placed to match capabilities to requirements and thus provide a genuinely "value-added" service.

Considerable effort has been invested in developing our fully-integrated employer engagement strategy. This strategy has three key strands covering the short, medium and long-term impact on job seekers:

- **Short Term: Transactional.** Delivering jobs and other opportunities.
- **Medium Term: Partnership and programme development.** Delivering bespoke support to deliver specific activities to employers across the "Attract – Select – Transition – Development" lines of development.
- **Long Term: Leadership, facilitation and shaping of employer dialogue.** Promoting and sharing best practice; providing a forum for discussion and creating sustainability through moving the narrative on from "employing ex-military is the right thing to do" to the new mantra that "Military is good for business."

The OA Employer Network is a key element of our engagement with employers. Over the last year this has grown to some 150 members. A growing resource of case studies and tools for employers to use is found on our "Military is good for business" LinkedIn showcase.



Objectives

Summary

The efforts of the Employment Department were focussed throughout the year on growing networks and communities of interest and on enhancing the range and quality of job seeking services. We expended considerable effort on growing our online community of serving and former officers; increasing the number of job seekers accessing our services; exploring options for working more closely with the CTP; and building employer relationships with the development of new initiatives and programmes. Our social media presence expanded considerably, making us both more visible and more accessible. Attendance at our online and networking events also increased considerably. Through our targeted initiatives we have created a solid foundation for further expansion, development and enhancement of our services to job seekers and employers.

Activities: Meeting our Objectives

Expansion of the Online Job Seeker Community. Our community of Service leavers increased significantly in 2015-16 with the adoption of a content-led social media strategy.

Working with the CTP. The OA no longer has a contracted role under the CTP contract operated by Right Management (RM). However, we have continued to work with the CTP to ensure that job seekers are informed of and able to benefit from our services.

Employer Relationships and Programme Development. Throughout the year we have worked on an increasing number of bespoke initiatives with employers, ranging from insight days, through skills translation mapping and knowledge swap forums to developing workshops for job seekers. In addition to providing access to jobs and other opportunities such as placements, noteworthy highlights from among this year's activities include: vocational CV workshops where employers' HR teams have given one-to-one advice to job seekers looking to enter a particular role or sector; contributions to OA webinars and development of recruitment pipelines linked to OA Insight events.

The OA held its first Employers Forum in June 2016, which aimed to provide an opportunity to create and promote a new employer-focused narrative, with emphasis on development of a compelling business case for employing former military personnel and to develop further justification that "Military is good for business." Over 65 organisations attended the 3 plenary sessions and 4 breakout sessions, each with an individual case study developed by the OA. This event also incorporated an interactive, live data capture session to establish a baseline for business engagement with military programmes and recruitment. A fortnightly programme of employer e-mails has been developed to continue the sharing of knowledge and best practice.

CASE STUDY



Job Seeker Placement – Joint Initiatives with the NHS

The values, standards and skills required for a successful career in the NHS mirror those brought to the civilian jobs market by Service leavers. With over 1.3 million personnel, the NHS is the UK's largest employer and offers around 300 non-clinical career options. It has a continuous requirement to recruit and, equally importantly, to retain staff who have the necessary service ethos and work ethic and ideally who can also bring in relevant experience. Furthermore, the Rose Review identified a pressing need for leadership within the NHS. We have begun to work more closely with a number of organisations within the NHS across the UK to develop their appreciation of the value and benefits of employing Service leavers. We are also raising the profile of the NHS as a second and subsequent career option with our job seekers.

The NHS runs a range of recruitment programmes that target large cohorts such as school and college leavers, all of whom are at roughly the same stage of education and development. The Step into Health programme, in which each successive step is increasingly personalised, was developed in acknowledgement of the much more broadly different and more developed individual circumstances, suitability and preferences of Service leavers. The process includes five steps: an information day; work placement application; work placement; post-placement one-to-one review and application for a job. An initial pilot project was carried out at the Norfolk and Norwich University Hospital NHS Trust.

The success of the pilot has led to the programme being extended to other Trusts across the NHS. We have worked with the NHS to market Step into Health and direct officers towards this opportunity. In the first quarter of 2016, 278 Service leavers attended the 18 Information Days and of these, 132 requested placements. As a result of their experience, 5 Service leavers applied directly for employment and others have decided to pursue further education or training to help them access a specific career role in the NHS. It is estimated that half of all officers joining Step into

"Staff with a military background have come forward to offer mentoring, advice and support to those undertaking placements and starting jobs in the NHS."

Julia Watling
Programme Manager - Workforce Development,
Norfolk and Norwich University NHS Trust

"It would be no exaggeration to describe [Step into Health] as inspirational ... Your openness allowed me to peer into the organisation and really understand the challenges and opportunities of a career in healthcare. Importantly, I was greatly reassured that, while some of the language may be a little different, most of the operational processes and challenges are instantly recognisable."

A former Lieutenant Colonel, now working as a deputy operations director with the NHS

Health go on to secure employment with the NHS, including a significant number at Lieutenant Colonel (or equivalent) and above. We have also worked with central organisations within the NHS such as NHS England, NHS Digital and the Leadership Academy to run a series of workshops and webinars. In May, for example, we ran an application workshop for officers at the NHS England Head Office which provided an overview of the NHS and its culture; gave individualised advice on how to prepare an application personal statement for NHS Jobs (often a stumbling block for Service leavers); and delivered mock interviews. These organisations have recruited around a dozen former officers who are now offering their support for further activities.

The work with the NHS has also helped to generate an informal support community called Forces into Health in which NHS staff with a military background and Forces-friendly non-military managers have come forward to offer advice and support to those undertaking placements and starting jobs in the NHS. Within its first week over 40 members joined the group.

Providing Information Days, running workshops, hosting placements and supporting NHS-focused best practice forums has greatly increased the engagement between Service leavers and the NHS. The successful uptake of our joint initiative by the NHS is a clear indication that there is increasing awareness of the significant benefits of employing Service leavers: that "Military is good for business."

CASE STUDY

“We were first attracted to the military by their leadership skills.”

Kevin Moylan
Head of Project Management Practice,
Nationwide Building Society



Employer Engagement – Nationwide Building Society

Nationwide Building Society recruits around 100 new Project Managers each year to reduce its reliance on costly contractors. The skills and capabilities brought by former military personnel are a very good match with those required for Project Management roles. The Society's growing Business Transformation Division identified the military as a source of potential recruits with the right background and attributes to meet their needs. Initially, the company used an external organisation to manage the recruitment process of ex-military personnel. The success of the programme prompted them to develop an in-house scheme which is led and managed by Service leavers who are now business leaders in the Society. Successful candidates follow a multi-step process: preliminary information; an insight event; application and assessment leading to selection; commercial awareness training and in-role mentoring and training.

Nationwide currently employs around 55 ex-military personnel in Project Management roles. 9 more joined in 2016. Over 60 officers attended the last insight evening, resulting in 65 applications described by the Society as being of “very high calibre.” Nationwide's process allows them to identify, attract and select new recruits from a talent pool they have identified as matching their requirements particularly effectively. It also facilitates military personnel's transition into the commercial environment, fully aware of the organisation's standards and requirements.

“Nationwide has been very clear in communicating the message that we are not doing ex-military personnel a favour, we are doing this because we need their skills and capabilities.”

Nick Apps (Former Army Officer)
Practice Manager, Nationwide Building Society



Engaging with and Supporting our Job Seekers. A total of 4468 job seekers accessed our employment services during the last year. Of these, some 1566 were new registrants to the OA. This compares very favourably with the total of 3551 in 2014-15: an increase of 26% over the year. This has been achieved through increasing the number of events and workshops available to job seekers and our much-improved marketing that has taken advantage of existing channels and has made much more effective use of social media networks. The reward for our sustained effort over a range of initiatives is that our social media communities grew considerably during the year:

- **Linked In.** Around 1000 new followers were added to the OA LinkedIn page this year; the total following now stands at 4700.
- **Twitter.** We now have 1661 followers on Twitter. The increase from 1527 in October 2015 has been achieved through organic growth.
- **Facebook.** The employment audience on Facebook has grown to over 5000 supporters between the ages of 24 to 65 over the last 6 months. This has been achieved through a focus on paid promotions and the application of a comprehensive content strategy.

OA INSIGHT

- **OA Insight.** Over 16,000 job seekers have accessed OA Insight webinars (both live and archived) during the year. Of these, 85% indicated that they had acquired knowledge from the webinar. This remarkable 131% increase from the 7000 who accessed our webinars in 2014-15 is a strong indicator of both the quality and utility of these events. Over the last year a shift has been made towards more employer participation with workshops and symposia. Consequently, attendance has increased from 400 in 2014-15 to 828 in the last year.

"Many thanks to the OA for organising this excellent webinar. I really benefited from it and it's helped to clear out much of the confusion I had from so many sources. I look forward to having a more focused transition period from now on."

Job Seeker - Webinar Event

"You don't often get the chance to speak one-to-one with a front-line HR or hiring executive of such a large organisation. You can easily drown in opinions regarding CV content; so much so that it becomes like white noise. This said, some of the most relevant advice I've received came during this event, from a current high level practitioner: that has to be worth something. Thanks, OA, for exploiting this opportunity on our behalf."

Job Seeker - Workshop Event



“Contacts list is a brilliant resource and was invaluable throughout my networking and subsequently. Thanks.”

Job seeker - Networking Event

OA CONNECT

- **OA Connect.** The number of job seekers attending OA Connect networking groups increased during the year. These groups are supported by the OA and run by volunteers in Bristol (Alma network), Leeds (Two Roses), Manchester (Onward) and Newcastle-upon-Tyne. Several OA-sponsored networking events were run during the year, including two “distinguished speaker” events and a Defence-focused evening sponsored by Security Cleared Jobs. These attracted some 520 delegates; an increase of 30% over last year’s levels of attendance. The Network Contact list, which connects job seekers with veterans established in civilian roles, continues to flourish and now has 580 members across a wide variety of sectors. This will move online to the OA’s Employment App early in 2017, which will make connecting job seekers with volunteers much easier.

OA APPOINTMENTS

- **OA Appointments.** The Executive Jobs Board advertised over 900 jobs during the year; an increase of 15% over last year. Opportunities continue to be offered to job seekers via weekly emails, which carry links to our website, as well as on social media networks. Levels of engagement remain high, with around 2000 individual candidates logging onto the jobs board each quarter.

- **Job Seeker Engagement.** Career consultations with job seekers have continued both to provide targeted advice on the transition process and to offer sector and role-specific knowledge. Some 768 consultations took place in 2015-16, a slight increase of 7% over the previous year. Separate CV reviews were also provided to over 60 clients in the fourth quarter of the year for those undertaking the job seeking phase of transition.

“This meeting was an invaluable prompt as to how best to focus my efforts and I felt energised by the advice given.”

Job seeker - “1-2-1” Consultation

The OA Employment Department – Promoting “Military is Good for Business”

Promoting the Military Brand to Employers: Sophia Koniarska

Based in Bristol, Sophia Koniarska joined the OA in March 2015 as our Regional Business Development Manager (West). Her background is working in corporate social responsibility across the business and not-for-profit sectors; focusing on innovation, growth and programme delivery. For over three years, Sophia led Business in the Community’s flagship engagement initiative, “The Prince’s Seeing is Believing” programme, which aims to bring together senior business leaders, enabling them to gain first hand insight into pressing social and environmental issues. She worked to drive engagement with senior leadership across a network comprising over 850 member companies.

Sophia says of her role and the positive outcomes and impact her work is having: “It has been fantastic to see the appetite from organisations to engage with the military agenda across a diverse range of activities including raising awareness of the skills and attributes military personnel can bring to the business; how they demonstrate leadership amongst their peers and how businesses can most effectively attract, recruit, develop and retain military talent. We believe that ‘Military is good for business’ and, increasingly, so do businesses. This makes my job of engaging with employers really rewarding.”



Bringing Expertise and Experience to Career Consulting: Fiona Jackson



Fiona joined the OA in November 2010 after a broad-based career spanning Army service, employment with the John Lewis Partnership, a stint in the City with a global intelligence company and, more recently, working in the third sector, including with the international development charity Voluntary Services Overseas. She is a qualified human resources professional with particular interests in talent management, succession planning and coaching and mentoring. As a career consultant, she is mainly based in the OA’s London office at Mountbarrow House but has recently taken over a desk in the Ministry of Defence. She also regularly sees clients in the Bristol office and occasionally as far afield as Newcastle upon Tyne. She very much enjoys being part of the consultancy team, sharing best practice with and learning from her colleagues and from the many capable and talented officers whom she advises.

Fiona uses her commercial and sector knowledge to support our job seekers as they investigate opportunities in the civilian employment market, either on leaving the forces or when changing roles; for example, following redundancy.

She is particularly effective in advising on preparing CVs and job applications, where she feels she can really help job seekers to enhance their prospects of success. Officers who consult Fiona really value her straightforward approach and also appreciate her developed knowledge of the job market and her pragmatic advice:

“Thank you for meeting with me. Your expertise provided me with a much greater insight on how to target the job market.”

“Your no-nonsense advice was, without doubt, the most valuable I have received so far and I very much appreciate your honesty.”

“I found the whole process very useful and I recognise that the level of consultation you provided would have cost me a substantial amount of money had I sought it commercially. I thought your experience and practical tips were of great value and I will now take things forward based on your recommendations.”

Having served in the Army herself and worked with commercial businesses and the third sector, Fiona is particularly well placed to appreciate that “Military is Good for Business” and to communicate this to job seekers and potential employers.



Looking Forward: Objectives for 2016-17

The ability of the Employment Department to provide support and to meet our ambitious objectives for the year ahead has been enhanced by the recruiting of an additional Business Developer for London and a Learning & Development Manager. Our efforts over the next year will be focussed on:

- **Develop Job Seeker Services.** We plan to conduct a review of our employment services and develop a self-analysis tool to enable job seekers to identify their transition needs and to signpost relevant services.
- **Develop Online Communities and Networks.** We will continue to develop our online community of serving and former officers as well as building our OA network.
- **Digitalise Delivery of our Services.** We plan to further digitalise our services so that they are more readily accessible to job seekers and more user-friendly.
- **Develop Employers Network Programmes.** We will continue to develop the OA Employers Network and programmes and, in particular, intend to invest in the longer-term leadership agenda.
- **Relationship Building and Consolidation.** Relationships with key stakeholders are vital to our continued effectiveness. We will carry out work to build and to consolidate these relationships and to identify opportunities for collaboration in both research and service delivery.

> Marketing and Communications

Overview

The Marketing and Communications Department's activities demonstrated the value added to the outcomes and impact of the OA's activities. So that we can exploit the continuously growing influence exerted by social media, we appointed an experienced Social Media Manager in June 2016. The OA's Facebook page has now been launched and work to unify the OA's growing digital presence is underway.

How we do this now and in future continues to be shaped by the audiences we serve. To meet our users' requirements, we have considered their preferences in how they might consume and use the content we create, the messages we deliver and the events we organise: an approach which conforms to the OA's intent to provide uniquely tailored services.

Objectives

Summary

The growth in the OA's online presence, communities and networks and the increased attendance at online and networking events has told us that effective marketing and communications are central to increasing outreach. Drawing on the experience and successes of last year and with a robust structure, the Department is now well placed to continue to develop our online presence, to deliver meaningful events to large audiences and to assure the validity, authority and security of information and communications in support of our beneficiaries, job seekers and our own staff and volunteers.

Activities: Meeting our Objectives

Developing the OA Website. In June we migrated the OA's website onto a widely available platform which has reduced our reliance on outside suppliers. We are now developing our updating and editing skills in-house, so that we can ensure the website remains up-to-date. The user-end functionality has been enhanced in response to feedback, illustrating further how we attempt to tailor our services to our users' needs and preferences. As it develops, the website is demonstrating its clear potential to provide a sustainable repository for messaging and content which will benefit our online networks and communities.

Matching Information to Users' Needs and Preferences. Our online content generation increased throughout the year and our content, networks and communities all grew. The emerging preference for and value of online content that helps to "tell" rather than "sell" what we offer is becoming increasingly clear.

Outreach Events. We sponsored two outreach events during the year. We organised a dinner, celebrating "The Glorious First of June", at The Old Royal Naval College, Greenwich to raise awareness of the OA's services among key members of our broad communities of interest. The OA also sponsored the Inter-Services Triathlon in July 2016. The event is known to attract officers from all three Services and is reported widely to military audiences. Both events delivered high levels of engagement and awareness and will be run again in 2017.

Matching Capacity to Needs. The growth during the year in marketing and communications activity and its impact made a compelling case for expansion and the Department grew to a team of four with the appointment of a part-time researcher and, in September, a new Marketing Manager. We are now much better placed to meet the growing level of activity that will take place in the coming year.

Looking Forward: Objectives for 2016-17

During the coming year, the Department will consolidate the work to develop the OA website and to grow its online presence that started this year. We will continue to support the delivery of events and to identify additional opportunities to raise awareness of the OA. We will continue to work closely with the Benevolence and Employment Departments to enable them to deliver their initiatives more effectively and to ensure that our public presence is of the highest quality.



The Officers' Association
Symposium
May 2016

> Support

Overview

The Support Department has continued to provide the administrative and financial capability required by the other Departments. We have also taken the lead in addressing matters of business continuity, ICT capability and the longer-term financial state of the OA.

Objectives

Summary

Our main objectives for the year were: to start planning for the end of the lease on our main office in June 2018; to continue development of the Salesforce platform and to update the ICT Strategy.

Meeting our Objectives

Consolidation of the OA Main Office in Mountbarrow House. In April 2016 the landlord made an offer to surrender the current lease on our main office in Mountbarrow House in return for a new five year lease, to run to June 2021. Following negotiations conducted on our behalf by ABF - The Soldiers' Charity, the lead tenant, a business case to accept the new lease and to consolidate all departments on the 1st Floor was approved by the Trustees. This was a far better solution on better terms than the alternatives on offer. The relocation was completed at the end of July. The OA now has a greatly improved working space and the cost and upheaval of a major move has been deferred, providing stability for the next five years.

Development of the Salesforce Platform. The Salesforce platform identifies and prioritises the developments planned for the forthcoming financial year and ensures that they are aligned with the OA's business objectives and budget. During the year, Project ARIADNE, the Salesforce implementation project, was closed and the ongoing development transferred to the Salesforce Development Programme.

Sustaining the OA. We conducted a review of the OA's salary structure, job descriptions and appraisals which was largely completed by the end of September 2016 with the intent of being able to put recommendations on the salary structure to the Trustees in November 2016.

ICT Strategy. We undertook some initial work to begin updating the ICT Strategy but other priorities meant that this work was not completed as intended. It has been re-scheduled for completion in the first half of 2016-17.

Data Protection. An external consultant was engaged to conduct an audit of our Data Protection (DP) policies, processes and practices. His interim report indicated the OA "...to be a good role model for upholding the provisions of DP." Work has started on two immediate recommendations. The audit and any follow-up actions will be completed early in 2017.

IT Security. We undertook a major revision of the Salesforce user profiles to make it easier to control user access to individual records. We also increased staff awareness of IT security and cyber-crime and set up e-mail filters to counter "phishing" attacks.

Looking Forward: Objectives for 2016-17

We intend to focus our efforts on enhancing the ability of the OA to operate effectively, efficiently and in compliance with appropriate legislation. The areas of interest are:

- **Continue to Develop the Salesforce Platform.** The continuous development of the Salesforce platform will be pursued under the Salesforce Development Programme.
- **Develop the ICT Strategy.** We intend to resume work to update the ICT Strategy and to define a roadmap to guide the development of the OA's ICT infrastructure.
- **Conduct a Governance Review.** In order that the OA's governance procedures comply with any relevant legislation, follow best practice and are suited to the effective delivery of its charitable objectives, we intend to conduct a Governance review.
- **Develop a Future Funding Strategy.** The OA's approach to income generation in the future requires guidance in the form of a Future Funding Strategy, to ensure a secure financial future.



The Inter-Services Triathlon,
sponsored by the
Officers' Association
July 2016

Financial Review

Trustees' Responsibilities

Trustees' Report. The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charity Commission's Statement of Recommended Practice 2015 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the "going concern" basis unless it is inappropriate to presume that the charity will continue in business.

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 and enable them to ensure that the financial statements comply with The Charities Act 2011, the Accounting and Reporting by Charities: Statement of Reporting Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 and the provisions of the Charity's trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public Benefit

The Trustees have complied with section 17 of the Charities Act 2011 requiring them to have regard to the public benefit guidance published by the Charity Commission. We assist those who have held a Commission and their families for the relief of hardship, need and the effects of disability and to assist officers into employment.

Highlights from the Accounts

Our current financial strategy is to operate at a deficit so that we can draw down reserves. We are exploiting this opportunity by investing more in marketing, research, impact assessment and reporting so that we can improve our range of services. This year our expenditure exceeded income by **£369K**. There was, however an unrealised gain of £1.55M on the investment portfolio. The net movement in funds was an increase of £1.2M resulting in our balance standing at **£17.7M**.

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

- **Poppy Appeal.** Of the **£3.4M** income we accounted for this year **£2.04M** (2015: £2.07M) came from the Poppy Appeal Street Collection. We thank The Royal British Legion, our principal funder, for their continued support.
- **Investment Income.** A total income of **£662K** (2015: £656K) was received this year from investments.



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- **Restricted Income.** We received **£446K** (2015: £456K) of restricted funding from other charities. The majority of this was in the form of direct grant payments to beneficiaries or a contribution towards the OA grants awarded. An increasingly welcome trend is for charities to provide funding as a lump sum which the OA then distributes on their behalf, in line with their charitable objectives. Other restricted income included a grant of **£43K** from Forces in Mind Trust (FiMT) to commission research on demographic profiling of the serving and ex-officer community in the UK to help understand the size, nature and needs of present and future officer communities.
 - **Sale of Shares.** In line with our strategy to operate at a deficit, **£340K** (2015: £350K) of shares in our investments were sold to fund activities.
 - **Legacies.** Legacy income received this year was **£202K** (2015: £7K).

Expenditure. Our expenditure this year of **£3.8M** (2015: 3.5M) was an increase of 8.5% over last year's figure. Of this figure, Benevolence Grants awarded and paid out in the year were **£1.35M** (2015: £1.47M); a reduction of 8% on last year's figure. The increase in expenditure is attributable to the recruitment and employment of new members of staff and the increased capacity of the Marketing Department, accommodation costs associated with the office consolidation in Mountbarrow House and IT costs, including website development.

Reserves Policy

The Reserves Policy is a key element of the financial strategy. It is reviewed on an annual basis by the Executive Committee. Our unrestricted reserves target was increased this year to **£10M** (2015: £6M) in acknowledgement of increased uncertainty over the level of funding risk. Unrestricted reserves currently stand at **£14M** (2015: £13M), which is £4M above the reserves target. Unrealised investment gains have resulted in the value of reserves increasing rather than decreasing as planned. This revised unrestricted reserves target was based on:

- **Mitigating any loss of income from The Royal British Legion.** The income from The Royal British Legion is variable and is dependent on the Poppy Appeal street collection. The £2.04M for 2015-16 was 60% of our total income. The five-year payment agreement between The Royal British Legion and the OA was due to be renewed this year but instead was extended by two years. Dialogue is underway for a new agreement to be drawn up which should be in place by 2018.
- **Uncertainties in the value of and income from investments.** Investment income currently represents 20% of our total income. The value of the investment portfolio is subject to fluctuation. Investment income is unpredictable.
- **Office accommodation in London.** Accommodation costs in London are a large part, 17%, of our overhead costs. The cost of vacating Mountbarrow House in 2020/21 and either buying or renting new office facilities in Central London is considered.
- **Obligations in the event of winding-up.** If the Charity were to close down, there would be a legal obligation to honour grants awarded to beneficiaries for up to 1 year after cessation of benevolence activity. There is also a moral obligation to continue funding those in care homes, a service not offered by other military charities. The cost of winding-up costs and honouring existing contracts is estimated to be in the region of £1.5M.

Risks

The Executive Committee has considered the major risks to which the Charity is exposed and has reviewed those risks and established systems and procedures to manage them.

- **Strategic Risks.**

- > **Loss or reduction of funding.** The Executive Committee considers loss of funding to be the Charity's primary risk. The amount of funds held in reserves reflects the uncertainties within this agreement and provides a buffer should the outcome be detrimental to the OA.

- > **Losing relevance and impact.** Inadequate outreach to beneficiaries, jobseekers, partner organisations and employers and a failure to adapt to changing circumstances will lead to an under-utilisation of services and therefore an inefficient use of OA resources. There has been an increase in capacity of the Marketing Department to enable us to deliver greater emphasis on outreach events and communication through social media. The OA has adapted its structure to enhance key capabilities and has also actively gathered case studies from beneficiaries, job seekers and employers and analysed, interpreted and applied the feedback. The OA website has also been upgraded and the development of the Employment Jobseeker App has taken place.

- **Operational Risks.**

On an operational level, our key risks are in the areas of Data Protection and Information Communication Technology (ICT) systems and procedures. The most immediate concern is compliance with data protection legislation: our procedures were scrutinised by an external data protection audit during the year. In order to minimise the threat of cyber security crimes we are continuing to strengthen our ICT security procedures and practices.

Fundraising Policy

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

Investment Policy

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

Structure, Governance and Management

- **Structure.** The OA was established 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 the Officers' Association (Auxiliary) 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 2016 and in preparing this Report and the Financial Statements. 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 and 17 May 2000. On 15 July 2015 a further change was approved by the Privy Council to remove the trustee status of Presidents and Vice-Presidents. The Presidents, Vice-Presidents and Trustees together form the Council of the Association.

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- **Trustees.** Trustees are recruited for their experience and expertise to ensure the Executive Committee has the full range of skills required to fulfil its role responsibly. Half of the present Trustees have served as Commissioned Officers in the Services. The Executive Committee considers the appointment of Trustees, who are proposed for election at the AGM. Trustees of the OA who served during 2015-16 are listed on page 50. 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 Committee meets quarterly and is the principal OA committee which directs the policy, finance and operations of the Charity. The OA Senior Management Team attend, report to and receive direction from the Executive Committee. The Executive Committee has four sub-Committees:

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

Approved by the Executive Committee and 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

on 11th February 2017

Consolidated Statement of Financial Activities

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	<i>Notes</i>	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2016 £'000	Total 2015 £'000
INCOME FROM:						
Donations and legacies						
The Poppy Appeal		2,042	-	-	2,042	2,074
Seafarers UK		-	-	-	-	45
Donations		44	98	-	142	83
Legacies		202	-	-	202	7
Charitable activities						
Trading subsidiary activity	<i>12</i>	5	-	-	5	89
Co-operation from other charities		-	305	-	305	367
Income related to Mountbarrow House		13	-	-	13	5
Forces In Mind Trust		-	43	-	43	-
Investments	<i>11</i>	509	-	153	662	656
Total Income		2,815	446	153	3,414	3,326
EXPENDITURE ON:						
Charitable activities						
Benevolence grants	<i>4</i>	(925)	(428)	-	(1,353)	(1,470)
Benevolence department	<i>6</i>	(939)	(21)	-	(960)	(910)
Employment department	<i>6</i>	(1,457)	-	-	(1,457)	(1,085)
Recoverable costs from Mountbarrow House		(13)	-	-	(13)	(11)
Total Expenditure		(3,334)	(449)	-	(3,783)	(3,476)
Net (expenditure)/income and net movement in funds before gains/(losses) on investments		(519)	(3)	153	(369)	(150)
Net gains/(losses) on investments	<i>11</i>	1,273	-	278	1,551	(190)
Net income/(expenditure)		754	(3)	431	1,182	(340)
Transfers between funds	<i>16</i>	153	-	(153)	-	-
Net movement in funds		907	(3)	278	1,182	(340)
Reconciliation of funds: Funds brought forward		13,389	46	3,037	16,472	16,812
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2016		14,296	43	3,315	17,654	16,472

The notes on pages 40 - 48 form part of these financial statements. The statement of financial activities includes all gains and losses recognised in the year. All amounts were derived from continuing activities. Full comparative figures for the year ended 30 September 2015 are shown in note 20.

Charity Statement of Financial Activities

FOR THE YEAR ENDED 30 SEPTEMBER 2016

<i>Notes</i>	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2016 £'000	Total 2015 £'000
INCOME FROM:					
Donations and legacies					
The Poppy Appeal	2,042	-	-	2,042	2,074
Seafarers UK	-	-	-	-	45
Donations	44	98	-	142	83
Legacies	202	-	-	202	7
Charitable activities					
Cost recharged to trading subsidiary	12	193	-	193	184
Co-operation from other charities	-	305	-	305	367
Income related to Mountbarrow House	13	-	-	13	5
Forces In Mind Trust	-	43	-	43	-
Investments	11	509	-	153	662
Total Income	3,003	446	153	3,602	3,421
EXPENDITURE ON:					
Charitable activities					
Benevolence grants	4	(925)	(428)	-	(1,353)
Benevolence department	6	(939)	(21)	-	(960)
Employment department	6	(1,457)	-	-	(1,070)
Recoverable costs from Mountbarrow House	-	(13)	-	-	(11)
Grant to subsidiary company	12	(188)	-	-	(111)
Total Expenditure	(3,522)	(449)	-	(3,971)	(3,572)
Net (expenditure)/income and net movement in funds before gains/(losses) on investments	(519)	(3)	153	(369)	(151)
Net gains/(losses) on investments	11	1,273	-	278	(190)
Net income/(expenditure)	754	(3)	431	1,182	(341)
Transfers between funds	16	153	-	(153)	-
Net movement in funds	907	(3)	278	1,182	(341)
Reconciliation of funds: Funds brought forward	13,388	46	3,037	16,471	16,812
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2016	14,295	43	3,315	17,653	16,471

The notes on pages 40 - 48 form part of these financial statements. The statement of financial activities includes all gains and losses recognised in the year.
All amounts were derived from continuing activities.

Consolidated Charity Balance Sheet

AS AT 30 SEPTEMBER 2016

	Note	2016		2015	
		Group £'000	Charity £'000	Group £'000	Charity £'000
FIXED ASSETS					
Tangible assets	8	56	56	-	-
Investments	11	16,298	16,298	15,092	15,092
Total Fixed Assets		<u>16,354</u>	<u>16,354</u>	<u>15,092</u>	<u>15,092</u>
CURRENT ASSETS					
Debtors	14	1,183	1,188	1,195	1,268
Cash at bank and in hand		662	656	617	535
Total Current Assets		<u>1,845</u>	<u>1,844</u>	<u>1,812</u>	<u>1,803</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	<u>(545)</u>	<u>(545)</u>	<u>(432)</u>	<u>(424)</u>
NET CURRENT ASSETS		<u>1,300</u>	<u>1,299</u>	<u>1,380</u>	<u>1,379</u>
NET ASSETS		<u><u>17,654</u></u>	<u><u>17,653</u></u>	<u><u>16,472</u></u>	<u><u>16,471</u></u>
FUNDS:					
Unrestricted funds	16	14,296	14,295	13,389	13,388
Restricted funds	16	43	43	46	46
Permanent endowment	16	3,315	3,315	3,037	3,037
TOTAL FUNDS		<u><u>17,654</u></u>	<u><u>17,653</u></u>	<u><u>16,472</u></u>	<u><u>16,471</u></u>

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

on 11th February 2017

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

The notes on pages 40 - 48 form part of these financial statements.

Statement of Cash Flows and Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	<i>Note</i>	2016		2015	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Cash (outflow) from operating activities	<i>19</i>	<u>(893)</u>	<u>(817)</u>	<u>(1,010)</u>	<u>(983)</u>
Cash flows from investing activities					
Sale of investments	<i>11</i>	340	340	350	350
Interest income		662	662	656	656
Repayment of programme investments	<i>11</i>	5	5	4	4
Purchase of tangible fixed assets	<i>8</i>	<u>(69)</u>	<u>(69)</u>	<u>0</u>	<u>0</u>
Cash provided by investing activities		<u>938</u>	<u>938</u>	<u>1,010</u>	<u>1,010</u>
Increase in cash and cash equivalents in the year		45	121	-	27
Cash and cash equivalents at the beginning of the year		<u>617</u>	<u>535</u>	<u>617</u>	<u>508</u>
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>662</u></u>	<u><u>656</u></u>	<u><u>617</u></u>	<u><u>535</u></u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. Accounting Policies

1.1 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). Following the transition to FRS 102 in 2016 all of the accounting policies have been aligned with the new accounting standard. None of these changes has had a material impact on the accounts, although some figures have been re-aligned in line with the new requirements.

The accounts (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.

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

1.3 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.

1.4 Tangible Fixed Assets. Tangible fixed assets are capitalised if their 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, at the following rates:

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

Capitalised leasehold improvements have been depreciated over the duration of the lease of 5 years.

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

1.6 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.

1.7 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.

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

1.9 Creditors and Provisions. Creditors and provisions 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.

1.10 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.

1.11 Income and Expenditure. Income and expenditure have been accounted for on an accruals basis. This includes legacies and donations where a value can be established before payment is received. Management and administrative expenses have been charged to respective Charity activities by:

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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

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

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

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

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

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

1.18 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 16.
- **Endowment Funds.** Endowment funds comprise The Officers' Association Permanent Endowment Fund. Further details are shown in note 13. The capital is invested in perpetuity; the income from this is available for the general purposes of the Charity.

2. Career Transition Partnership

Current Status of the OA in the Career Transition Partnership. The OA continues to support the Career Transition Partnership (CTP) which provides resettlement services to the Ministry of Defence (MOD). However, while the OA was a part of the MOD technical solution, Right Management (who were re-awarded the contract from 1st October 2015) informed the OA that they would not subcontract officer-specific services.

Negotiations with MOD and Right Management. New negotiations are in progress with the MOD and Trustees are hopeful of a positive outcome.

3. Cost of Generating Funds — Investment Management Expenses

All investments are now held in three Funds: the Armed Forces Common Investment Fund (AFCIF), managed by BlackRock, and the Charifund equities and Charibond funds managed by M&G Securities Ltd. Management fees for these funds are not charged separately but are absorbed within the unit values of those funds on the basis of their respective Total Expense Ratio (TER). The TER for AFCIF is reported as 0.40% (2015: 0.40%) and for the M&G-managed Charifund and Charibond investments is reported as 0.46% and 0.36%, respectively (2015: 0.46% and 0.36%).

4. Benevolence Grants

Benevolence grants are financial help to individuals. The Trustees' Report contains further details about these grants. We also make loans to our beneficiaries; see note 11.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

5. Staff Costs

	2016 £'000	2015 £'000
Staff costs were as follows:		
Wages and salaries	1,250	1,066
Social security costs	127	144
Pension costs	100	108
Termination costs	-	10
	<u>1,477</u>	<u>1,328</u>

The average monthly number of employees during the period was as follows:

28	25
<u>28</u>	<u>25</u>

The number of employees for the year whose emoluments for the year exceeded £60,000 was:

	2016	2015
£60,001 - £70,000	2	2
£70,001 - £80,000	0	0
£80,001 - £90,000	0	1
£90,001 - £100,000	1	0

Total Pension contributions for the three employees mentioned above totalled £26,019 (2015: £26,390).

The total salaries paid to the senior management team during the financial year amounted to £284,327 (2015: £263,989). The senior management team are considered to be the CEO and Heads of Departments.

6. Analysis Of Resources Expended By Activity Consolidated

	Staff Costs £'000	Direct Costs £'000	Administrative Costs £'000	Total 2016 £'000	Total 2015 £'000
Benevolence Department	627	127	206	960	910
Employment Department	850	279	328	1,457	1,085
	<u>1,477</u>	<u>406</u>	<u>534</u>	<u>2,417</u>	<u>1,995</u>
				£'000	£'000

Administrative costs comprise:

Staff travel, subsistence and training costs	52	51
Accommodation Costs	147	91
IT Costs	42	76
Unrecoverable VAT	99	55
Office Expenses	23	40
Marketing	10	11
Projects	7	11
Insurance	4	6
Legal and Professional fees	0	19
Finance costs	3	2
Governance costs	35	19
Marketing & Communications Department	112	61
	<u>534</u>	<u>442</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

7. Governance Costs include:

	2016 £'000	2015 £'000
Auditors' remuneration		
Audit work	14	12
Other services (VAT review)	8	-
	<u>22</u>	<u>12</u>
	<u><u>22</u></u>	<u><u>12</u></u>

Other governance costs for the year are £13,239 (2015: £7,307)

8. Tangible Fixed Assets

	Leasehold Improvements £'000	Total £'000
Cost or valuation:		
At 1 October 2015	-	-
Additions	69	69
	<u>69</u>	<u>69</u>
At 30 September 2016	69	69
	<u>69</u>	<u>69</u>
Depreciation:		
At 1 October 2015	-	-
Charge for the year	13	13
	<u>13</u>	<u>13</u>
At 30 September 2016	13	13
	<u>13</u>	<u>13</u>
Net book value		
At 30 September 2016	<u><u>56</u></u>	<u><u>56</u></u>
	<u><u>56</u></u>	<u><u>56</u></u>
At 30 September 2015	-	-

9. Staff Pension Scheme

The OA provides a voluntary, contributory group personal pension scheme which is insured with Royal London. There were 27 members of this scheme. Contributions paid by the OA in the year amounted to £100K (2015: £108K). 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 13 (2015: 14) members of this scheme.

10. Trustees

No Trustee received any remuneration. 12 Trustees (2015: 10) were reimbursed expenses incurred in the performance of their duties. In 2016 this amounted to £ 8,106 (2015: £7,307). 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

11. Investments

THE GROUP AND CHARITY	Value at 1 Oct 2015 £'000	Additions at cost £'000	Proceeds on disposals £'000	Revaluation gain (loss) £'000	Value at 30 Sep 2016 £'000
Armed Forces Common Investment Fund	10,573	-	(340)	1,143	11,376
M&G Charifund	4,182	-	-	383	4,565
M&G Charibond	301	-	-	25	326
Total Managed funds	15,056	-	(340)	1,551	16,267
Programme investments*	36	-	(5)	-	31
Total investments	15,092	-	(345)	1,551	16,298

All of the revaluation gain is unrealised.

* Programme Investments are secured and unsecured loans to beneficiaries for capital expenditure. The balance at 30 September 2016 consisted of 5 (6 in FY 2014-15) such loans of between £3K and £10K each. Interest is charged on these loans but is payable only on repayment of the loan. Interest received in the year in respect of these loans was £1,298 and loan capital repayment was £5,000.

12. The Officers' Association (Auxiliary) Limited

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

	2016 £	2015 £
Unlisted investments		
The Officers' Association (Auxiliary) Limited		
Investment at cost	100	100

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

	2016 £	2015 £
Turnover	4,971	88,568
Grant from OA to OA (Auxiliary) Ltd	188,286	110,458
Total income	193,257	199,026
Cost of sales	(193,089)	(184,063)
Gross profit	168	14,963
Administrative expenses	207	(14,579)
Operating profit	375	384

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

13. The Officers' Association Permanent Endowment Fund

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

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

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

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

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

14. Debtors

	The Group		The Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade debtors	8	7	8	2
Amount due from subsidiary undertaking	-	-	5	78
Other debtors	27	7	27	7
Accrued investment income	106	107	106	107
Accrued Poppy Appeal income	1,042	1,074	1,042	1,074
	<u>1,183</u>	<u>1,195</u>	<u>1,188</u>	<u>1,268</u>

'Other Debtors' (above) include amounts totalling £5,885 (2015: £7,122) in respect of loans to employees for the purchase of season tickets. No interest is charged on these amounts.

15. Creditors: Amounts Falling Due Within One Year

	The Group		The Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade creditors	-	13	-	12
Grant commitments payable	359	334	359	334
Taxation and social security	39	36	39	36
Other creditors	1	-	1	-
Accruals	146	49	146	42
	<u>545</u>	<u>432</u>	<u>545</u>	<u>424</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

16. Movement in Consolidated Funds

	Balance b/f	Income	Expenditure	Sale or Revaluation gain (loss)	Fund Transfers	Balance c/f
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds: OAPEF*	3,037	153	-	278	(153)	3,315
Restricted Funds						
Fenton Trust ¹	14	-	(13)	-	-	1
Home of Devenish ²	-	75	(75)	-	-	-
Sandhurst Trust ³	4	15	(15)	-	-	4
Seafarers UK ⁴	28	-	(20)	-	-	8
Benevolence co-operation ⁵	-	305	(305)	-	-	-
Civil Service Insurance Society Charity Fund ⁶	-	8	(8)	-	-	-
Forces in Mind Trust ⁷	-	43	(13)	-	-	30
Total Restricted Funds	46	446	(449)	-	-	43
Unrestricted Funds	13,389	2,815	(3,334)	1,273	153	14,296
Total Funds	16,472	3,414	(3,783)	1,551	-	17,654

* The OAPEF: see Note 13

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

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

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

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

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

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

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

17. Operating Lease Commitments

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

	Land and buildings	
	2016	2015
	£'000	£'000
Leases which expire:		
Within one year	39	21
Within two to five years	2	-
	<u>41</u>	<u>21</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

18. Analysis of Net Assets Between Funds

Group	Investments £'000	Fixed Assets £'000	Cash £'000	Net Current Assets £'000	Total £'000
OA Permanent Endowment Fund	3,315	-	-	-	3,315
Restricted funds	-	-	43	-	43
Unrestricted					
General	12,951	56	619	639	14,265
Programme investments	31	-	-	-	31
Total unrestricted	12,982	56	619	639	14,296
Total	16,297	56	662	639	17,654

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

	2016 Group £'000	2015 Group £'000
Net income for the reporting period	1,182	(340)
Less:		
Investment income	(662)	(656)
(Gains)/losses on investments	(1,551)	190
Add:		
Depreciation charge	13	-
Movement in debtors	12	(273)
Movement in Creditors	113	69
Cashflow from operating activities	(893)	(1,010)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2016

20. Comparative Consolidated Statement of Financial Activity (2015)

	<i>Notes</i>	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000
INCOME FROM:					
Donations and legacies					
The Poppy Appeal		2,074	-	-	2,074
Seafarers UK		-	45	-	45
Donations		39	44	-	83
Legacies		7	-	-	7
Charitable activities					
Trading subsidiary activity	12	89	-	-	89
Co-operation from other charities		-	367	-	367
Income relating to Mountbarrow House		5	-	-	5
Investments	11	508	-	148	656
Total Income		<u>2,722</u>	<u>456</u>	<u>148</u>	<u>3,326</u>
EXPENDITURE ON:					
Charitable activities					
Benevolence grants	4	(1,065)	(405)	-	(1,470)
Benevolence department	6	(910)	-	-	(910)
Employment department	6	(1,080)	(5)	-	(1,085)
Recoverable costs from Mountbarrow House		(11)	-	-	(11)
Total Expenditure		<u>(3,066)</u>	<u>(410)</u>	<u>-</u>	<u>(3,476)</u>
Net (expenditure)/income and net movement in funds before gains/(losses) on investments		(344)	(46)	148	(150)
Net gains/(losses) on investments	11	(89)	-	(101)	(190)
Net income		(433)	46	47	(340)
Transfers between funds	16	135	-	(135)	-
Net movement in funds		(298)	46	(88)	(340)
Reconciliation of funds: Funds brought forward		13,687	-	3,125	16,812
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2015		<u>13,389</u>	<u>46</u>	<u>3,037</u>	<u>16,472</u>

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

We have audited the financial statements of The Officers' Association for the year ended 30 September 2016 which comprise the charity and group Statement of Financial Activities, the charity and group Balance Sheet, the charity and group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 32, the trustees are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

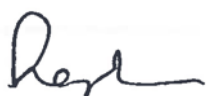
In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 30 September 2016, and of its net movement in funds, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Royal Charter.

Matters on which we are Required to Report by Exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



haysmacintyre
Statutory Auditor

Dated: 11th February 2017

26, Red Lion Square
London
WC1R 4AG

Charity Information

THE OFFICERS' ASSOCIATION

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

Patron: Her Majesty the Queen

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

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

Trustees: **Chairman, Executive Committee and Honorary Treasurer**
A J Spofforth Esq BA FCA

Members of the Executive Committee

Air Vice Marshal L S Chisnall CB
B Farrell Esq MBE (elected 19 May 2016)
J Holdsworth Esq
Commander J Lea RN (elected 24 February 2016)
Surgeon Commodore R M C McNeill Love
Mrs J R Lynch
Major General M J Rutledge CB OBE
R M Sankey Esq
A Singleton Esq JP
Ms D Soltmann
Ms D Thomas

Vice-Patrons:

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

Chief Executive Officer:

L Holloway Esq

Senior Managers:

Mrs J Killip (Head, Finance Department)
N Hare Esq (Head, Benevolence Department from June 2016)
Mrs E A Strouts (Head, Benevolence Department until June 2016)
Mrs E Stevens (Head, Employment and Marketing Department)

Principal Office:

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

Bankers:

Svenska Handelsbanken AB (publ)
London West End Branch
13 Charles II Street
LONDON, SW1Y 4QU

Solicitors:

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

Auditors:

haysmacintyre
26, Red Lion Square,
London, WC1R 4AG

Co-Operating Charities and Organisations

Contributing Charities

The OA acknowledges with grateful thanks the financial assistance given by the following military charities during the 2015-16 reporting year:

- **Service Charities**

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

- **Royal Navy, Royal Marines and Maritime Charities**

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

- **Army Charities**

- Adjutant General's Corps Regimental Association
- Airborne Forces Security Fund
- Army Benevolent Fund – The Soldiers' Charity
- ATS/WRAC Association Benevolent Fund
- Intelligence Corps Association
- The Kelly Holdsworth Artillery Trust
- The King's Royal Hussars
- Mercian Benevolence Charity
- The Princess of Wales's Royal Regiment Benevolent Fund
- Queen Alexandra's Royal Army Nursing Corps Association
- The Rifles Benevolent Trust
- Royal Anglian Regiment Association Benevolent Fund
- Royal Army Chaplains Department Association
- Royal Army Educational Corps and Educational and Training Service Association
- Royal Army Pay Corps
- Royal Army Service Corps and Royal Corps of Transport Regimental 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 Regiment of Fusiliers Aid Society
- Royal Signals Association
- Royal Welsh
- The Sandhurst Trust
- SAS Regimental Association
- Scots Guards Charitable Fund
- Sirmoor Rifles Association (UK) Trust

- **Royal Air Force Charities**

- Royal Air Force Benevolent Fund

The OA acknowledges with grateful thanks the financial assistance given by the following military civilian charities and organisations during the 2015-16 reporting year:

Air Pilots Benevolent Fund
Architects Benevolent Society
British Airline Pilots Association Benevolent Fund
CABA (Chartered Accountants Wellbeing Charity)
Charles Brotherton Trust
Civil Service Insurance Society Charity Fund
Elizabeth Finn Care
Fenton Trust (Family Action)
Guild of Aid for Gentlepeople
Home of Devenish
Independent Age
Professionals' Aid Council
St Andrew's Society for Ladies in Need

Supporting Charities

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

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

Companies and Individuals Supporting Employment

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

- **Companies**

AMCO
Ascent
Bristol Management Centre
British Institute of Facilities Management
BT
Canary Wharf PLC
Carillion
Deloitte
Emergency Planning College
GE
Nationwide
Network Rail
Newcastle-upon-Tyne Hospitals NHS FT
NHS England
Norfolk and Norwich University Hospitals NHS FT
QA Training
Security Cleared Jobs
St James's Place
Turner and Townsend
University of Leicester
University of Manchester
University of York
Virgin Money
Wellington
WYG

- **Individuals**

Lincoln Coutts
Dougie Lord, QinetiQ
Paul Boissier, RNLI

- **Networking Groups**

Two Roses networking group
The Alma networking group
Onward networking group

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.



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

Tel: 020 7808 4160

www.officersassociation.org.uk