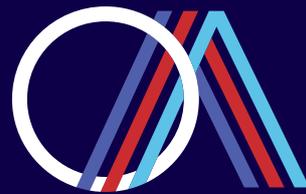




21

ANNUAL REPORT

22



OFFICERS'
ASSOCIATION

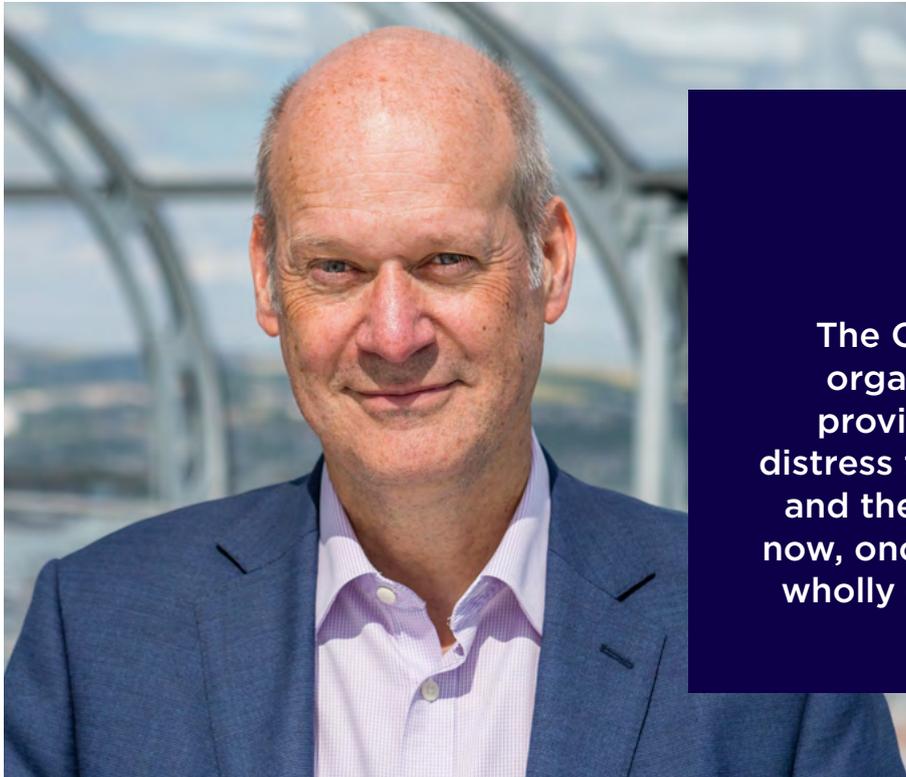
THE OFFICERS' ASSOCIATION ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

CONTENTS

Introduction by the Chairman of the Trustees	4
Overview by the Chief Executive Officer	6
TRUSTEES' REPORT	8
Grants and Welfare	12
Employment	18
FINANCIAL REVIEW	20
Financial Statements	26
Notes to the Financial Statements	29
Independent Auditor's Report to the Trustees	48
Charity Information	52

INTRODUCTION



The OA began as an organisation which provided relief from distress for former officers and their families and is now, once again, focussed wholly on this vital task.

BY THE CHAIRMAN OF THE TRUSTEES

2022 was a year characterised by momentous events, the most memorable of which was undoubtedly the death in September of Her Late Majesty Queen Elizabeth II, our gracious patron throughout her long reign and a Life Member of the Officers' Association (OA) since 1948. It was also a year in which we underwent what I consider to have been the most substantial change the OA has experienced since that brought about by reaching the funding agreement with the Royal British Legion (RBL) in 1921; change driven, ironically, by the decision made in 2019 to end that same arrangement.

Over recent years, my fellow trustees and I have considered in depth a number of strategic issues concerning the OA's future. The most significant and urgent of these was, unsurprisingly, the loss of funding from the RBL, not least because the

financial impact on the organisation's ability to support beneficiaries was readily quantifiable and the progressive withdrawal of the annual payment followed a definitive timeline. This added imperative to what was already candid, robust dialogue and debate over the OA's purpose and its future operations. I would like to take this opportunity to thank our trustees past and present for their valuable contributions to these discussions. I am particularly indebted to Air Vice Marshal (Ret'd) Steve Chisnall, whose expertise in leading the strategic development work was central to its success.

I have been pleased by the way in which the OA's established and enviably effective employment operations have evolved alongside the continually developing requirements of both job seekers and employers. The armed services are reducing in size, and have a somewhat lowered public profile.

Most pleasing, therefore, has been the generation of a broader and better appreciation among potential employers of officers and how they might capitalise on the education, experience, confidence and skills gained by job seekers during their service. Engaging with and informing employers to create vibrant collaborative spaces in which they and former officers could come together to develop networks and to discuss opportunities was one of the OA's more significant successes in recent years.

The trustees are most grateful to Laura Blair and her Employment Team for their exceptional work in representing and championing officers. In the short-term, this success came at a cost. The OA was unable to fund what was a rapid increase in the team's level of activity exclusively with contributions from employers. As the capability and the relationships with engaged and appreciative employers willing to partner with the OA developed, the funding gap began to close. This provided the trustees with welcome evidence of the potential sustainability of this activity.

In assessing the implications of the loss of RBL funding, the trustees considered at length how high-quality employment services might best be provided for the broadest possible range of service leavers in the future. Aware not only of continuous and compelling calls for consolidation in the military charity sector, but also that officers represent only a part of the available service-leaver talent pool, the trustees concluded that there was a well-founded case for merging the OA's employment capability with that provided by the Regular Forces Employment Agency (RFEA). On 29 April 2022, the Board of Trustees agreed the transfer of OA Employment to the RFEA, which resulted in the formation of the Forces Employment Charity (FEC). Thereafter, the OA ceased all employment-related operations.

As part of the transfer, selected OA staff, information systems, intellectual property rights and funds were transferred to FEC. The value of the funds transferred was £6,608,000 in investments and £200,000 of cash. These funds remain as restricted reserves, ring-fenced for the support of officers. Six members of the OA Board of Trustees also transferred to the FEC and our OA Presidents graciously agreed to assist the new charity. I thank our former trustees for their service to the OA and wish them well in their new roles and I would also like to thank our Presidents for their pragmatism and

commitment to seeing FEC establish itself as the military employment charity of choice for service leavers of all ranks.

The OA began as an organisation which provided relief from distress for former officers and their families and is now, once again, focussed wholly on this vital task. I am pleased that, having anticipated and planned for the change, the transition occurred remarkably smoothly, for which great credit is due to all the staff involved. The OA is now a smaller charity than it has been in recent years and, rightly, is now taking active steps to reduce operating costs in order to maximise the proportion of its remaining funds available for benevolence.

The OA has proved agile at adapting to changing circumstances

The OA has proved agile at adapting to changing circumstances, in particular to the potential hardship created by the cost-of-living crisis. Characteristically, the staff rose to this challenge by being ready and willing to talk to potential beneficiaries with a developed understanding of their needs and practical solutions. In practice, this has proved to be just as important as granting money. Being able to do this sensitively, efficiently and increasingly cost-effectively will be key to the OA's future plans and ability to operate.

For as long as funds allow, we will continue to support officers and their families. We will also work closely with like-minded charities and organisations which, like the OA, recognise the unique nature of officers' selfless commitment to the Nation and who, should they find themselves in straitened circumstances, deserve to be supported in whatever way is appropriate and necessary. I am convinced that the OA's Grants and Welfare Team remains uniquely placed to provide this support.

In conclusion, the OA has undergone considerable change this year, leaving a smaller charity which is, nonetheless, still playing a vital role in relieving distress and hardship which was the original rationale for its foundation.

Alex Spofforth
Chairman of the Trustees

OVERVIEW



The OA can and must continue to provide the sensitive, personalised and effective case-work, financial support and signposting of meaningful advice to our beneficiaries.

BY THE CHIEF EXECUTIVE OFFICER

In May 2022, the Forces Employment Charity (FEC), a new charity which supports the employment of service veterans of all ranks, was formed when our Employment capability joined the Regular Forces Employment Agency (RFEA). I was emphatic that this transfer be managed efficiently and that there should be a seamless transition from the excellent services provided by OA Employment to those provided by FEC.

I was engaged personally in making the arrangements for the transfer of funds, working in close collaboration with Jo Killip, our Finance Director, whom I thank for her hard work, attention to detail and perseverance throughout. The complexities of transferring a significant proportion

of our staff to FEC was undertaken by the Senior Management Team (SMT), for which they have my sincerest appreciation and thanks. I am especially indebted to Simon Allen, the OA's Chief Operations Officer at the time, who led the process throughout. This enabled the OA to achieve a streamlined return to the principal objective set out in the Royal Charter of 1921: providing benevolence services. Since the transfer, I have expended a great deal of time and effort considering the OA's future; in particular, its continued relevance and viability.

In August, our Board of Trustees voted to create a new fund from the OA's remaining reserves. This fund will provide appropriate financial assistance to those of our beneficiaries seeking assistance

with the rise in cost-of-living expenses; in particular, to those experiencing hardship brought about by the unprecedented increases in energy costs. In September 2023, after one year's operation, the Board will review the impact this service has had on our resources and its consequent longer-term viability and, having also considered the prevailing circumstances, will assess the case for maintaining or discontinuing it.

Throughout the year, the OA has continued to provide, as a contracted service, management and administration support to Lady Grover's Fund (LGF), a Friendly Society that provides affordable healthcare benefits for officers' families. The OA and LGF exist to support the same community and I sense that there is more to be made of this synergy between the two organisations. As a first step, I have assumed the role of Chief Executive of LGF.

The OA will remain viable provided that we are effective and increasingly cost-conscious and cost-efficient and, crucially, provided we can generate sufficient revenue to be able to continue operations in the future.

Despite both the uncertainty that we have endured since the RBL announced the withdrawal of our assured income and the transfer of our Employment capability to FEC, I believe that the OA can and must continue to provide the sensitive, personalised and effective case-work, financial support and signposting of meaningful advice to our beneficiaries; services for which we are deservedly well regarded in the military charity sector. In my opinion, the OA will remain relevant, but only for as long as our services are accessible and continue

to reflect best the needs of our community. It will remain viable provided that we are effective and increasingly cost-conscious and cost-efficient and, crucially, provided we can generate sufficient revenue to be able to continue operations in the future. It is my intention that we continue to adapt the way in which we work and to develop what we offer in order to remain relevant, and that we use our reserves appropriately but judiciously while at the same time we develop plans to generate sustainable income in order to remain viable.

2022 has been a year in which the OA was not only challenged but also was presented with opportunities to change and adapt.

2022 has been a year in which the OA was not only challenged but also was presented with opportunities to change and adapt. Looking forward to 2023 and beyond, I intend to promote LGF to our community and also to continue to identify new potential income streams. I also intend to engage more closely with you, our community, in order to ensure our offer reflects your needs, and to garner your support, including raising funds, so that we can be available to support you when you need us.

Lee Holloway
Chief Executive Officer

TRUSTEES' REPORT

The trustees present the annual report and audited financial statements for the year ended 30 September 2022. The trustees have complied with section 17 of the Charities Act 2011 requirement for them to have regard to the public benefit guidance published by the Charity Commission.

OUR CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

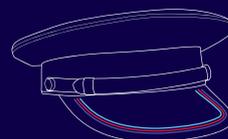
The Officers' Association (OA) is a registered charity, founded in 1920. We provide advice and financial help to relieve distress and hardship amongst those who have held a Commission in the Armed Forces, their families and dependants.

OUR VISION

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

OUR MISSION

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



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



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



The OA Grants and Welfare Team

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure. The OA was incorporated under Royal Charter on 30 June 1921 and registered as a charity (number 201321) with the Charity Commission on 17 April 1964. It is the parent charity of OA Advance Limited, whose financial statements have been consolidated in these financial statements.

Governance. Being governed by Royal Charter, the OA is not directly subject to the laws and codes of practice relating to the operation of companies. The trustees have, however, decided to combine 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 2022 in preparing this report and the financial statements. We are also fully committed to observing the Charity Governance Code of 2017 (updated in 2020) and implementing its principles in the way the charity operates. The governing document is the Royal Charter dated 30 June 1921 (as amended: 2 August 1946; 17 September 1946; 26 February 1964; 16 July 1966; 17 September 1996; 17 May 2000 and 15 July 2015). The Presidents, Vice-Presidents and Board of Trustees form the Council of the Association.

Trustees. Of the ten trustees who held office up to the end of April 2022, six agreed to become trustees of the Forces Employment Charity (FEC), thereby proving continued oversight of the employment services provided to the officer community. Four trustees remain with the OA. It is intended that there be an increase to six trustees following the recruitment of candidates with the appropriate skills.

Recommendations nominating potential trustees are made to the Executive Committee (the full Board of Trustees). After consideration, candidates are proposed for election at a meeting of the Council. New trustees are directed, before election, to the Charity Commission guidance on the responsibilities of trustees. Subsequent to election, newly-elected trustees attend an induction session at the OA. All trustees are encouraged to attend training in order to remain up to date with the law and relevant practices affecting the sector.

MANAGEMENT: EXECUTIVE COMMITTEE

The Board of Trustees, called the 'Executive Committee', is the principal OA Committee which directs the policy, finance and operations of the charity. It meets quarterly. The OA SMT reports to, and receives direction from, the Executive Committee.



Exhibiting at Security Cleared EXPO, July 2022

OUR SERVICES

As a tri-service military charity working exclusively with officers, we support former officers and their families, their widows and widowers and their dependants by providing advice and financial help, where needed, to enable them to overcome financial challenges and to live independently. Our work with serving and former officers to help them achieve a sustainable and fulfilling post-military service career in civilian employment was transferred to the Forces Employment Charity on 29 April 2022.

During the last financial year, we provided support and financial assistance to individuals, families and dependants through 435 (2021: 648) grants and welfare cases. For the first seven months of the year, we also provided employment support to 4,245 (2021: 4,905) serving and former officers before the work was transferred to FEC.

COLLABORATION

The OA collaborates with other service and civilian charities to get the best possible support for our beneficiaries. A list of the charities with which we work is provided on page 53.

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



The OA Honorary Representative Roadshow Conference in London, November 2022

GRANTS AND WELFARE

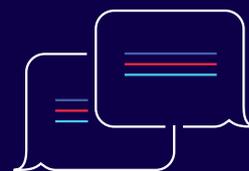
Throughout the year, our Grants and Welfare Team continued, as planned, to provide individually-managed benevolence support to our existing beneficiaries in the form of financial assistance, case-working, personal advice and signposting to other organisations.

The team has been proactive in seeking additional grants and co-operation from other sources

The team has been proactive in seeking additional grants and co-operation from other sources to supplement OA grants to existing beneficiaries and in securing grant funding from other sources for potential beneficiaries who do not qualify for an OA grant. This activity has helped the team to develop and maintain effective relationships with other charities, resulting in enhanced support to our beneficiaries.

In continuing to provide financial support for our existing beneficiaries during the year, we continued to take great care not to create or encourage dependency, while ensuring that deserving recipients were awarded grants that were appropriate to their circumstances and requirements. In conducting our assessments, we applied the Joseph Rowntree Foundation's minimum income standards to guide us in identifying who, among those whose cases we assessed, met our grant eligibility criteria and were the most in need. During the annual review, we were pleased to note that some of our beneficiaries' financial situations had improved to the extent that they no longer needed welfare grants.

We have continued to monitor and review our internal processes in order to ensure that they are not only effective but also cost-efficient, and to observe evolving requirements in order to ensure that we provide the services that our beneficiaries require.



435

CASES WERE HANDLED BY THE GRANTS AND WELFARE TEAM



THE TOTAL AMOUNT OF GRANTS PAID OUT IN 2021-22 WAS

£613K



NEW GRANT

AIMED AT THE COST-OF-LIVING CRISIS

The steep rise in energy costs and high rates of inflation unprecedented in recent decades made 2022 a particularly difficult year for those already experiencing financial hardship or likely to experience poverty due to the increased cost of living. Cognisant of the potential impact of this crisis on vulnerable members of our community, in September we launched our new Cost-of-Living Grant, available for award to new and existing beneficiaries, which enabled us to make a one-off awards of up to £500 to those in need. The requirement for and the impact and sustainability of this grant will be reviewed after twelve months' operation.

OUR VOLUNTEERS

The first point of contact with the OA for our beneficiaries is one of our national network of 61 volunteer Honorary Representatives (Hon Reps). Their activities include personal visits (reintroduced in July following suspension of in-person contact during the COVID pandemic) and telephone consultation, advice and support to casework. Without their commitment and dedication, energy and engagement, wisdom and sensitivity we would be unable to deliver timely, appropriate and quality support. We, and our beneficiaries, are most grateful to them all.

The OA's 'Star Report' is a tailored version of the 'Outcomes Star' assessment and reporting system which is used widely by UK local authorities, the police, and charities including other national military benevolence charities. This year, our Hon Reps submitted 201 (2021: 252) Star Reports following initial interviews with beneficiaries.

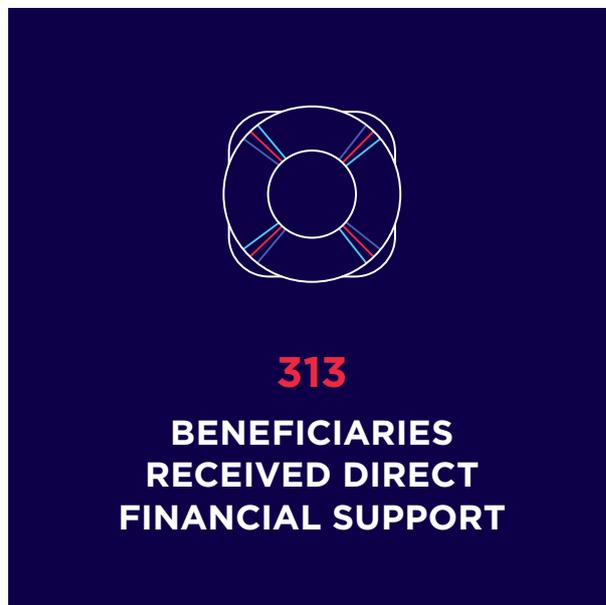
Number of individuals receiving Grants. In 2022, 313 (2021: 404) individual existing beneficiaries received direct financial support from the OA. The reduction in numbers compared to 2021 is attributable to two principal factors. First, changes in the qualifying criteria meant some individuals who might previously been awarded a grant were not eligible and second, deaths of elderly beneficiaries during the year.

Grants and Allowances. Using the Designated Hardship Fund, we provided regular support grants and, in a few cases, care home fees to our existing beneficiaries. A total of £613K (2021: £757K) was paid out in grants this year. Of this, £448K (2021: £610K) was paid out in OA grants and the remaining £164K (2021: £147K) was secured through co-operation with other charities. We also received block grants of £15K (2021: £72K).

Care Homes and Care at Home. We assisted 4 (2021: 15) individuals with grants towards top-up fees for care homes and 1 (2021: 5) individual with the cost of paying for care at home. The decline in numbers is attributable to a number of beneficiaries securing funding from their local authority, and therefore no longer requiring charitable assistance, along with a reduced number of elderly beneficiaries.

Support Abroad. We continued to support former officers and their families living overseas by working closely with our established network of charities and partners who deliver the casework and support in-country. We supported 54 (2021: 64) individuals abroad with grants; the largest number, 22 (2021: 25) living in Zimbabwe where the need has, in recent years, been particularly acute. We have continued to provide a block grant of £20K to the Royal Commonwealth Ex-Services League (RCEL) to cover the financial administration costs of cases based overseas.

On behalf of the OA and our beneficiaries, we are most grateful for the ongoing support of RCEL, Zane, RBL, SSAFA and Age In Spain for their help and hard work which is vital for the support we offer to our beneficiaries living overseas.



LOOKING AHEAD TO 2023

Our principal focus for 2023 is to continue to provide support to our beneficiaries. We will also help as many eligible beneficiaries as possible through the current cost-of-living crisis by awards of our new one-off support grant.

We intend to recruit more Hon Reps starting in early 2023 and to provide them with a comprehensive training and support package to ensure that they are prepared and resourced appropriately for their tasks. We will also make refresher training available to our current Hon Reps through the year.

We will endeavour to refine and improve the efficiency of our processes and intend to increase awareness of the services we offer to our community in support of organisation-wide efforts to ensure that the OA remains relevant and viable.

JOHN CLOWES

John (aged 96) was born in Australia in 1926. He is the son of Lieutenant General Cyril Albert Clowes CBE, DSO, MC, late Royal Australian Artillery, who served in both World Wars and retired in 1949 after 38 years of distinguished service. Understandably, he is very proud of his family's illustrious military history. John came over to England in 1946 to join the Dorset Regiment. He was commissioned into the 10th Hussars in 1947 and retired with the rank of Captain.

John is a widower and, despite enduring significant physical disabilities, he remains fiercely independent. He lives in rented accommodation and receives some help from his local authority in the form of carer support. Unfortunately, the local authority support is limited, obliging John to fund the additional daily support he needs from his state pension, disability benefit and a very small occupational pension.

John was referred to the OA in 2014 when it became clear that he needed urgent financial support to meet his daily living costs. Since then, the OA has continued to support John annually. He particularly enjoys and looks forward to his annual review visit from an OA Honorary Representative.



On many occasions, John has expressed his gratitude for the support and help he has received. He garners comfort and reassurance from knowing that he can contact the OA's Grants & Welfare Team directly should he need additional advice and support or simply to have a chat.

”

“Thank you to the OA and The King’s Royal Hussars for their incredibly generous help and time. The grant you gave was a great relief. I had this debt hanging over my head for several years. You have been so kind during a period when I was low, and you have picked me up and I now have gone from strength to strength. I would like to say thank you to you both.”

John Clowes

WENDY GREENFIELD

AN HONORARY REPRESENTATIVE'S EXPERIENCE



In my experience, retired officers and their families do not like or want to admit that they need the help and support of a service charity. Their pride, dignity and innate self-reliance does not make asking for financial help natural or easy.

My role as an OA Honorary Representative is to find out the full extent of family finances through a home visit or a telephone interview, talking on a one-to-one basis without judgement, officer-to-officer. Shared experiences and an understanding of military terminology all help to gain trust.

Each case is different. One of the cases I visited involved a retired officer whose business partner had taken all the money from their business account, leaving the family with debts they were unaware of. As a consequence, their life took a dive. They were obliged to sell their family home and cars, and move into rented accommodation. Paying off all of the debts and solicitors' bills took its toll and, sadly, the former officer suffered a stroke. After that, the family's rented accommodation became unsuitable.

To whom could they turn for support? It was the OA that provided vital grant support to ensure the couple received the care, advice and support needed. He accessed the vital care he needed; as a consequence, his dignity restored. After his death, an OA Hon Rep has continued to support his widow; visiting to carry out an annual review, offering



Life can throw things at us unexpectedly; not all of them welcome. Whatever is around the corner, we can all draw comfort knowing that if we need the support of the OA, the organisation is there to help us.

advice, guidance and financial grant support if needed. As a service widow, and with the continued support of the OA, she is comforted by the certainty that the military system still cares.

We all think that this sort of situation will never happen to us. But, as my story shows, life can throw things at us unexpectedly; not all of them welcome. Whatever is around the corner, we can all draw comfort knowing that if we need the support of the OA, the organisation is there to help us.

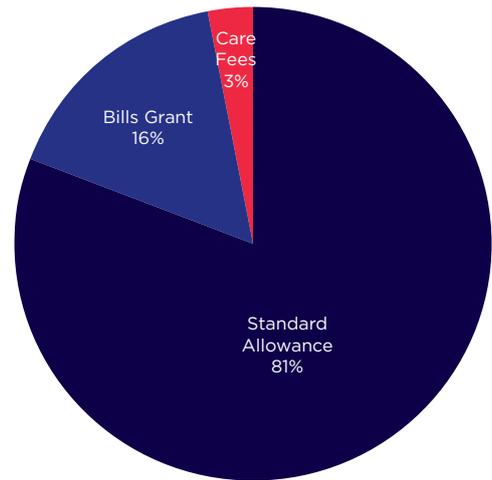
As an OA Hon Rep, I know that the OA continues to apply the military ethos of care for officers and families by officers whom they can trust.



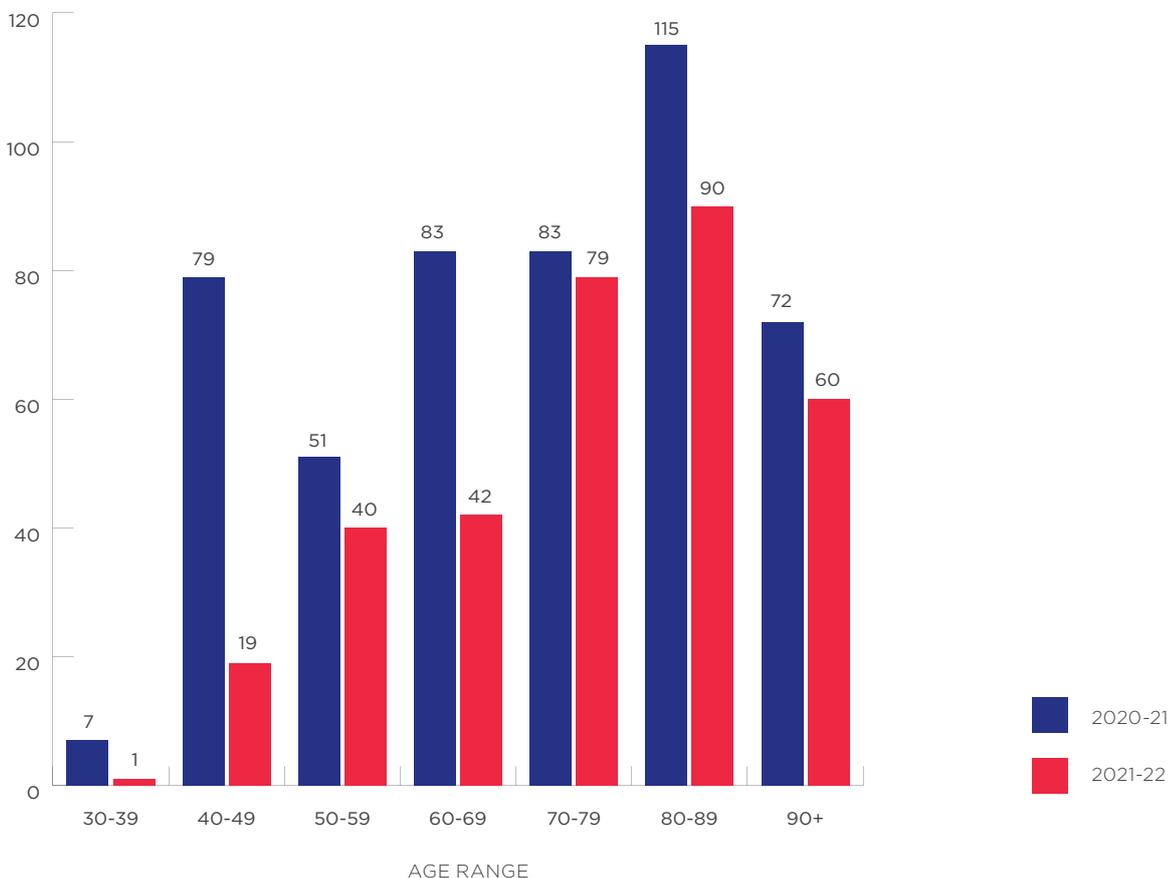
GRANTS AWARDED

Profile by Age. The graph below shows the age range of the beneficiaries who were awarded a grant in 2022. Clearly evident is the reduction in numbers in each age bracket, showing that the number of people we have supported has decreased from the previous year. This trend has been shaped mostly by the reduction in our funding and the consequent changes we were obliged to make to grant eligibility. The largest proportion of our existing beneficiaries receiving financial assistance continues to be among those in the 70-79 and 80-89 brackets, where the need for support is consistently greatest.

TYPES OF OA FUNDED GRANTS



AGE PROFILE OF BENEFICIARIES



EMPLOYMENT

In May 2022, OA employment services were combined with RFEA to provide career support for all service leavers, veterans and reservists under the aegis of the Forces Employment Charity. This departmental report covers employment services provided by the OA up to the end of April.

The OA Employment Team made significant inroads into the employment sector

The OA Employment Team made significant inroads into the employment sector. Throughout the reporting period, our enhanced OA Recruit jobs board was routinely posting a continuously broadening range of employment opportunities up to and including 'C-Suite' (senior executive-level management) positions, with 585 (2021: 1,009) different vacancies offered. A total of 4,245 (2021: 4,905) job seekers used our employment services, equivalent to 87% of the number who used our services in the previous full reporting period. There were 826 (2021: 1,124) new registrants this part-year, 73% of the number of new registrants in the previous full financial year. Of those who registered with us, 46% did so through word-of-mouth referral.

Potential employers were offered a flexible range of engagement packages through which they could support OA Employment events and programmes. This support generated £185K (2021: £116K) in commercial income, and an additional £5K (2021: £25K) as donated income, for this part-year. A further £7K (2021: £20K) was received in non-financial benefits. The total income from employment activities increased by 37% for 7 months over the previous full reporting period. Through these relationships and activities, our job seekers benefited from much-improved employer engagement, access, insight and opportunities.



A total of 1,850 (2021: 1,331) officers registered to attend our events programme. Significant employment activities included: networking events where job seekers could meet employers to gain insight, explore options and seek opportunities; focus on self-employment; piloting workshops for 1* and above; attendance at Non-Executive Director programmes and the very successful annual OA flagship event 'Women into Employment.' We worked with employers to highlight their events and open evenings for job seekers by participating in 12 employer events and participated in 13 other military focused events including the Security Cleared Expo, where we gave a presentation, and the MOD's 'Partnering with Defence' initiative. We ran 3 flagship employment forums and networking events, 2 sector-based career workshops and 2 LinkedIn training workshops for officers and their spouses/partners. We also promoted 16 of The Leaders Club seminars. Our first 'live' activity of 2022, following the restrictions imposed on such gatherings as a result of the COVID pandemic, was our spring networking event held at the In and Out Club on 26th April.



J.P.Morgan hosted the OA's Women Into Employment networking event, May 2022.

In Spring 2022, our Career Consultants, Key Account Managers and Events Manager, supported by expert speakers from Barclays, BEIS, Deloitte, Digital You Consulting (a media specialist) and QA, ran a series of Lunchtime Learning webinars focusing on 'job seeker challenges'. In all, 227 people attended these webinars, 8% more than had attended the 2021 series. We ran 13 webinars in total: 5 in the lunchtime learning series; 7 paid for by employers and 1 industry webinar.

Throughout this shortened reporting period, our career consultants provided their informed and experienced professional support to job seekers throughout the Job Seeker's Journey process. They delivered 282 (2021: 415) one-to-one, personalised career consultations and a further 181 (2021: 320) complementary support tasks that included CV and LinkedIn reviews, support with job applications and interview preparation.

We continued to monitor the quality of our offer and its relevance in the current employment market. 137 job seekers (48.6%) who had received a career consultation provided feedback to us; their satisfaction rating increased marginally from 94% last year to 95.6% for this part financial year, indicating that the support was useful and had been delivered effectively.

282
**ONE-TO-ONE
 CAREER
 CONSULTATIONS
 WERE DELIVERED**

Until its transfer to the FEC, the OA Employment Team continued working with passion, energy and enthusiasm driving through new services and events for both the job seeker and employer; with the focus on supporting the job seeker on the road to new employment.

FINANCIAL REVIEW

TRUSTEES' RESPONSIBILITIES

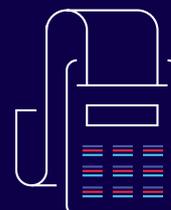
Trustees' Report. The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the "going concern" basis unless it is inappropriate to presume that the charity will continue in operation.

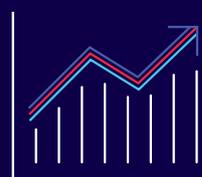
Accounting Records. The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and group and for taking reasonable steps to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



17%

DECREASE IN EXPENDITURE



£8,586K

NET MOVEMENT IN FUNDS



Trustees and staff of the OA participated in the national Remembrance ceremony at the Cenotaph, November 2021.

HIGHLIGHTS FROM THE ACCOUNTS

This financial year saw the OA Employment staff and most of the OA Support staff join the Regular Forces Employment Agency to form the Forces Employment Charity (FEC), thereby creating a single, unified military employment services charity. With this transfer of services, the OA gave the FEC 50% of its funds in the form of cash (£200K) and a transfer of investment stock, valued at £6,608K, on 29 April which is when the transfer agreement was signed. These funds are now held as restricted funds by the FEC for the benefit of officers in the future. The OA has a Service Level Agreement in place with the FEC that provides back-office support to the OA.

As we ceased employment-related activity, we made the decision to end our investment in Leadership Executive Search Ltd, a 100%-owned commercial trading subsidiary specialising in executive recruitment. The investment in this endeavour has been written off.

To reflect these changes in the OA's financial statements, the consolidated Statement of Financial Activity has been expanded to show the income and expenditure from continued and discontinued activity separately.

Now that the OA has reduced in size, all contracts are being reviewed and amended to reflect the new size of the remaining elements of the charity. Further work is underway to review all process so that they are appropriate to our size and the work we undertake.

We continue to operate at a deficit, and are using our reserves to fund working capital as we consolidate post-transfer; investments worth £1,400K were sold this financial year. The last payment to the OA from the current RBL agreement is scheduled to be received in 2023. New income streams, to replace this source, will be developed in the coming year which will be aligned with the focus of the charity.

We stopped accepting new grant applications from 1 August 2020, but continue to provide financial support to existing beneficiaries and case-working support to new beneficiaries. The Grants and Welfare Team have been successful in securing funds for award to new beneficiaries from other military and civilian charities. With the growing need for support to mitigate hardship caused by the current cost-of-living crisis, at the end of this financial year we made the decision to award grants to new beneficiaries for this particular need.

Our expenditure this year exceeded income by £827K (2021: £1,036K), which was lower than budget due to all planned employment and membership activity ceasing post-transfer to the FEC. Of this sum, £65K relates to a deficit from LES trading activity. The turbulence in the investment market resulted in a loss of £951K (2021: gain of £2,333K) on the investment portfolio. The net movement in funds, including the transfer to the FEC, was therefore a decrease of £8,586K (2021: an increase of £1,297K), resulting in our consolidated funds standing at £7,001K (2021: £15,587K).

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

- **Royal British Legion.** Of the £1,991K (2021: £2,356K) income accounted for, £1,000K (2021: £1,300K) came from an RBL grant.
- **Investment Income.** A total income of £448K (2021: £605K) was received this year from investments. Listed investments are invested on a total return basis and fund units are sold when necessary to supplement dividend income.
- **Restricted Income.** We received £179K (2021: £219K) of restricted funding from other charities, the majority of which was in the form of direct grant payments to beneficiaries or a contribution towards OA grants awarded.
- **Sale of Shares.** In line with our policy to operate at a deficit, £1,400K (2021: £1,000K) of shares from our investments were sold to fund activities.
- **Trading Activity.** Primary purpose trading activity is carried out through the wholly owned trading subsidiary, OA Advance Limited. Since July 2018, OA Advance has been contracted to provide management services to Lady Grover's Fund, a friendly society that provides healthcare benefits for officers' families. This contract generated income through the trading subsidiary of £78K (2021: £56K). A further £187K (2021: £116K) of commercial income was generated in the first seven months of the financial year by providing services to employers. This activity ceased on transfer of employment services to the FEC. Non-primary purpose trading took place through our wholly owned trading subsidiary, Leadership Executive Search Ltd (LES), which generated commercial income totalling £45K (2021: £7K) in the year. In light of the transfer of employment activity to the FEC, we decided to cease our investment in LES and have written-off the commercial loan awarded to the company.
- **Discontinued Income.** Of the £1,991K income generated in 2021-22, the activity that generated £241K of this income has been discontinued. This included the charitable and commercial activity relating to the provision of employment services and the commercial income generated by Leadership Executive Search Ltd.

Expenditure. Our expenditure this year of £2,818K (2021: £3,392K) shows a decrease of 17% on the previous year's figure. Of this amount:

- **Grant Payments.** Welfare grants awarded and paid out were £613K (2021: £757K), a decrease of 19% on the previous year's figure.
- **Discontinued Expenditure.** Expenditure from discontinued activity amounted to £1,409K or 50% of total expenditure for the year. Of this sum, £110K related to LES expenditure.

RESERVES POLICY

The reserves policy is a key element of the financial strategy that we review annually. In 2021-22 we decided to drop the unrestricted reserves target from £10M to £2M to reflect the recent changes that have taken place in the charity. £2M is equivalent to the upper end of the projected expenditure in 2022-23.

Our unrestricted reserves currently stand at £3,991K (2021: £12,169K), which is £1,991K (2021: £2,169K) above the reserves target. It is anticipated that this target will be reached within the next two years as reserves are used to cover the shortfall in income as new income streams mature.

The unrestricted reserves target was based on:

- **Moral obligations to existing beneficiaries.** The OA intends to continue providing financial support to existing beneficiaries until 2024-25 and beyond, if possible. A designated fund exists to ring-fence funds for grant-giving to beneficiaries and will be reviewed as the future financial situation develops.
- **Mitigating the loss of income from RBL.** The five-year payment agreement between the OA and RBL is based on a decreasing, sliding scale; the final payment will take place in 2023. Future financial support from grant-giving charities has yet to be established and is in the process of being explored.
- **Income Generation.** The recent change in the operational structure of the charity and the services it delivers requires a new income generation strategy. Funding is required to allow time to develop and allow the strategy to mature.
- **Income from investments is reducing as the investments are sold to fund the deficit.** Operating at a deficit requires the sale of investments to generate working capital. Such sales result in lower investment income. Time is required to develop an alternative income stream to replace this lost income.

RISKS

The Executive Committee has considered the major risks to which the charity is exposed and has categorised them as either 'strategic' or 'operational'.

Strategic risks are managed at trustee level. Operational risks can be reduced by the implementation of sound processes and procedures but cannot be eliminated and could still have a significant impact on the OA.

The main assessed strategic risks are:

- **Lack of sufficient income for long-term sustainability.** We consider the lack of sufficient income for long-term sustainability to be the primary risk facing the charity. With the final payment from RBL due in 2023, and the potential commercial income streams from Employment and Membership transferred to the Forces Employment Charity, developing new income streams is a priority. The continuously reducing level of reserves reflects the reduced size of the charity and suggests that the lead-time required to establish new income streams is short.
- **Losing relevance and impact.** If we fail to respond to the evolving needs of our clients and the changing environment in which they live and we operate, our services will become under-used and resources will be deployed inefficiently and ineffectively. We continue to monitor the relevance and range of what we offer and plan to improve our reporting in order to communicate our successes and to highlight our relevance and impact.

The main assessed operational risks are:

- **Data Protection.** A serious data protection breach or failure could compromise our ability to deliver our services and could damage our reputation. It could also incur a fine; possibly substantial. We have engaged a data protection advisory service to ensure that business decisions that could have data protection implications are scrutinised in advance. We also review our policies and procedures regularly to ensure that we remain compliant. We provide regular online data protection training for all staff to minimise the risk of data loss by human error. We also strive to be transparent to users when administering their data, and have procedures to manage subject access requests.
- **Cyber Security.** A successful cyber-attack could result in denying access or damage to the charity's IT systems. The OA has reduced such threats by using premium standard, cloud-based platforms with multilayer security systems that offer greater protection than in-house infrastructure. An IT service provider with solid security credentials helps us manage these risks. Our CRM cloud database provides a similarly robust level of security. We have an information security policy covering both physical and cyber security and cyber insurance cover. We will continue to review and strengthen our cyber security precautions.
- **Back-Office Support.** A failure in the relationship between the OA and the FEC, who now provide the back-office support through a Service Level Agreement, would result in key administrative functions not taking place. Charitable activity would likely cease in the short term as a consequence. The OA has reduced this risk by engaging monthly with a member of the FEC Senior Management Team to resolve any issues.

INVESTMENT POLICY

Most of OA's funds are invested in Common Investment Funds. The majority of these are held in the M&G Charifund and the remainder with both the BlackRock Armed Forces Charities Growth & Income Fund and the M&G Charibond.

Both managers of our investment funds integrate environmental, social and governance research into their investment processes. They actively exclude companies that do not meet required standards in these areas and they engage with others, through activities such as shareholder voting, to encourage improvements. The Executive Committee, which monitors and reviews performance on a quarterly basis, is satisfied that we do not need to implement our own policies in this area, and our managers regularly update us.

REMUNERATION POLICY

The OA's remuneration arrangements are based on a remuneration policy that has been approved by the Executive Committee.

- The Remuneration Policy includes a salary structure which evaluates and benchmarks the salaries for all roles against the sector. This ensures that staff salaries are kept equitable and consistent.
- The Executive Committee considers and approves recommendations for any general annual salary increase and any changes to the CEO's remuneration.

FUNDRAISING POLICY

The OA has not had a fundraising capability since 1921. The loss of RBL income and the transfer of funds and potential sources of commercial income to the FEC now requires the OA to develop new income streams. We have registered with the Fundraising Regulator, and now comply with the Code of Fundraising Practice to ensure that we implement the highest standards when undertaking fundraising activity.

The Grants and Welfare Team actively seek funding for our beneficiaries from other grant-making charities to supplement the grants awarded by the OA and to make awards to new beneficiaries who are not eligible for an OA grant. We continue to receive donations from the families and friends of those we have helped in the past, including unsolicited in-memoriam donations. We also, on occasion, receive donations and bequests from beneficiaries who may be classed as vulnerable. Our dedicated case workers ensure that beneficiaries do not feel obliged to reciprocate the help they receive from us in the form of bequests. We do not target our fundraising towards the public and have received no complaints about our fundraising activities during this reporting period.

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

on 11 May 2023

and were signed on its behalf by:

SIGNED IN THE ORIGINAL

A J Spofforth BA FCA

Chairman

SIGNED IN THE ORIGINAL

J Lea

Deputy Chairman

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted Discontinued Funds £'000	Unrestricted Continued Funds £'000	Total Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
INCOME FROM:								
Donations and legacies	2							
RBL Funding		-	1,000	1,000	-	-	1,000	1,300
Other donations and legacies		10	10	20	15	-	35	125
Charitable activities								
Grants and Welfare activity		-	-	-	164	-	164	147
Employment activity		186	-	186	-	-	186	116
Investments								
		-	258	258	-	190	448	605
Other trading activity	17	45	113	158	-	-	158	63
Total Income		241	1,381	1,622	179	190	1,991	2,356
EXPENDITURE ON:								
Charitable activities								
Grants and Welfare activity	6	-	(1,044)	(1,044)	(226)	(15)	(1,285)	(1,472)
Employment activity	6	(879)	-	(879)	-	-	(879)	(1,435)
Membership activity	6	(420)	-	(420)	-	-	(420)	(323)
Trading activity		(110)	(124)	(234)	-	-	(234)	(162)
Total Expenditure		(1,409)	(1,168)	(2,577)	(226)	(15)	(2,818)	(3,392)
Net (expenditure)/income and net movement in funds before gains on investments		(1,168)	213	(955)	(47)	175	(827)	(1,036)
Transfer of undertakings	21	(6,808)	-	(6,808)	-	-	(6,808)	-
Net gains/(losses) on investments	16	-	(605)	(605)	-	(346)	(951)	2,333
Net income/(expenditure)		(7,976)	(392)	(8,368)	(47)	(171)	(8,586)	1,297
Transfers between funds	21	-	190	190	-	(190)	-	-
Net movement in funds		(7,976)	(202)	(8,178)	(47)	(361)	(8,586)	1,297
Reconciliation of funds:								
Funds brought forward		-	12,169	12,169	67	3,351	15,587	14,290
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2022		(7,976)	11,967	3,991	20	2,990	7,001	15,587

The statement of financial activities includes all gains and losses recognised in the year. Amounts include both continued and discontinued activities. Movement in funds are disclosed in Note 21 to the financial statements. Full comparative figures for the year ended 30 September 2021 are shown in Note 27.

CONSOLIDATED AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
FIXED ASSETS					
Tangible assets	15	-	2	-	2
Investments	16	6,149	15,152	6,149	15,152
Total Fixed Assets		<u>6,149</u>	<u>15,154</u>	<u>6,149</u>	<u>15,154</u>
CURRENT ASSETS					
Debtors	19	255	225	522	459
Cash at bank and in hand		<u>892</u>	<u>544</u>	<u>668</u>	<u>386</u>
Total Current Assets		<u>1,147</u>	<u>769</u>	<u>1,190</u>	<u>845</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	20	<u>(295)</u>	<u>(336)</u>	<u>(339)</u>	<u>(325)</u>
NET CURRENT ASSETS		852	433	851	520
NET ASSETS	23	<u>7,001</u>	<u>15,587</u>	<u>7,000</u>	<u>15,674</u>
FUNDS					
Unrestricted funds					
General unrestricted funds		2,400	10,629	2,399	10,716
Designated funds		<u>1,591</u>	<u>1,540</u>	<u>1,591</u>	<u>1,540</u>
Total unrestricted funds	21	<u>3,991</u>	<u>12,169</u>	<u>3,990</u>	<u>12,256</u>
Restricted funds					
Permanent endowment	21	20	67	20	67
		<u>2,990</u>	<u>3,351</u>	<u>2,990</u>	<u>3,351</u>
TOTAL FUNDS		<u>7,001</u>	<u>15,587</u>	<u>7,000</u>	<u>15,674</u>

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

on 11 May 2023

and were signed on its behalf by:

SIGNED IN THE ORIGINAL

A J Spofforth BA FCA

Chairman

SIGNED IN THE ORIGINAL

J Lea

Deputy Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 Group £'000	2021 Group £'000
Cash (outflow) from operating activities	26	(1,300)	(1,750)
Cash flows from investing activities			
Sale of investments	16	1,400	1,000
Investment income		448	605
Cash transferred to FEC		(200)	-
Cash provided by investing activities		1,648	1,605
(Decrease)/Increase in cash and cash equivalents in the year		348	(145)
Cash and cash equivalents at the beginning of the year		544	689
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		892	544

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. ACCOUNTING POLICIES

1.1. Statutory Information. The Officers' Association was established under Royal Charter in 1921 and registered as a charity in England and Wales in 1964. The registered office address is Third Floor, 40rty Caversham Road, Reading RG1 7EB.

1.2. Basis of Preparation. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

The SOFA consolidates the results of the charity and its wholly owned subsidiaries, OA Advance Limited and Leadership Executive Search Ltd, on a line-by-line basis. Leadership Executive Search Ltd ceased to be a wholly owned subsidiary on 30 September 2022. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the OA and OA Advance Ltd only are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year as disclosed in the notes to the accounts.

1.3. Going Concern. The OA has transferred 50% of its funds to FEC in this reporting year. The trustees have considered the effect that this reduction in funds has had on the charity and believe that there are no material uncertainties regarding the charity's ability to continue as a going concern in the next 18 months.

1.4. Critical Accounting Judgements and Estimates. In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values; however, they are presented to the nearest £1K. This may cause small discrepancies in the financial statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

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

1.7. 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. A designated hardship fund was created in 2019-20 to ring-fence funds for grant making.
- **Restricted Funds.** Restricted funds comprise grants that are restricted in their use by being subject to specific restrictions imposed by donors and funders. Details of the nature and purpose of each fund is set out in note 21.
- **Endowment Funds.** Endowment funds comprise The Officers' Association Permanent Endowment Fund. Further details are shown in note 21. The capital is invested in perpetuity; the income from this is available for the general purposes of the charity.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

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

1.14. Tangible Fixed Assets. Tangible fixed assets are capitalised if their individual initial cost is in excess of £2,500. Fixed assets are carried at cost, less depreciation. Depreciation of tangible assets is provided at rates estimated to write off cost or valuation of the relevant assets by equal amounts over their expected useful lives, and capitalised leasehold improvements have been depreciated over the duration of the lease.

1.15. Investments. Investments are stated at market value at each balance sheet date. Investment management expenses, which are absorbed within the unit value, have been calculated and shown in the Statement of Financial Activities. Realised and unrealised gains and losses are shown in the Statement of Financial Activities.

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

1.17. 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.

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

1.19. 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.

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

1.21. Basis of Inclusion. OA Advance Limited and Leadership Executive Search Ltd have been included in the consolidated financial statements on a line-by-line basis. OA Advance Ltd is 100% owned subsidiary whilst Leadership Executive Search Ltd ceased being owned by the OA on 30 September 2022.

1.22. Discontinued Activities. The prior year comparatives on the SOFA have been restated to show the activities which have been discontinued this year and the prior year as a result of the transfer of activities to FEC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. INCOME FROM DONATIONS AND LEGACIES (CURRENT YEAR)

	Discontinued unrestricted	Continued unrestricted	Continued restricted	2022	2021
	£'000	£'000	£'000	£'000	£'000
The Royal British Legion	-	1,000	-	1,000	1,300
Legacies	-	3	-	3	-
Other donations	10	7	15	32	125
	<u>10</u>	<u>1,010</u>	<u>15</u>	<u>1,035</u>	<u>1,425</u>

Gifts and services in kind amount to £7K (2021: £20K) and are included under other donations, discontinued unrestricted.

3. INCOME FROM DONATIONS AND LEGACIES (PRIOR YEAR)

	Discontinued unrestricted	Continued unrestricted	Continued restricted	2021
	£'000	£'000	£'000	£'000
The Royal British Legion	-	1,300	-	1,300
Legacies	-	-	-	-
Other donations	46	7	72	125
	<u>46</u>	<u>1,307</u>	<u>72</u>	<u>1,425</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

4. FUTURE INCOME

A five-year payment agreement was made with the RBL with the final payment due in 2023. Beyond this period the OA will be required to bid for funding from RBL alongside other Service charities. Alternative sources of income are being explored.

5. COST OF GENERATING FUNDS - INVESTMENT MANAGEMENT EXPENSES

Listed investments are held in three Funds: the BlackRock Armed Forces Charities Growth & Income Fund, 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 Armed Forces Charities Growth & Income Fund is reported as 0.40% (2021: 0.40%) and for the M&G managed Charifund and Charibond investments is reported as 0.47% and 0.30% respectively (2021: 0.47 and 0.3%).

The estimated value of these management charges based on the investment holding at the end of each quarter was £43K (2021: £62K) and have been included as an expense in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

	Continued charitable activities	Discontinued charitable activity		Continued trading activity	Discon- tinued trading activity	Gov- ernance costs	Support costs	2022 Total	2021 Total
	Grants and Welfare	Employ- ment	Member- ship						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (note 9)	321	445	188	67	96	-	329	1,446	1,727
Staff T&S, training & development, and HR costs	19	39	8	3	-	-	45	114	101
Grants payable to beneficiaries	613	-	-	-	-	-	-	613	757
Service delivery and project costs including grants paid to other institutions	26	25	83	-	5	-	12	151	267
Marketing and communication costs	6	36	12	3	-	-	3	60	98
Office cost including IT and accommodation	21	48	11	3	5	11	180	279	297
Audit, accounting and professional fees	-	-	-	-	-	23	24	47	24
Other expenditure	-	-	-	-	-	-	108	108	121
	<u>1,006</u>	<u>593</u>	<u>302</u>	<u>76</u>	<u>106</u>	<u>34</u>	<u>701</u>	<u>2,818</u>	<u>3,392</u>
Support expenditure	266	273	112	46	4	-	(701)	-	-
Governance	13	13	6	2	-	(34)	-	-	-
	<u>1,285</u>	<u>879</u>	<u>420</u>	<u>124</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>2,818</u>	<u>3,392</u>
Total Expenditure 2022	<u>1,285</u>	<u>879</u>	<u>420</u>	<u>124</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>2,818</u>	<u>3,392</u>
Total Expenditure 2021	<u>1,472</u>	<u>1,435</u>	<u>323</u>	<u>67</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>3,392</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

	Continued charitable activities	Discontinued charitable activity		Continued trading activity	Discontinued trading activity	Gov-ernance costs	Support costs	2021 Total
	Grants and Welfare £'000	Employment £'000	Member-ship £'000	£'000	£'000	£'000	£'000	£'000
Staff costs (note 9)	349	663	156	37	74	-	448	1,727
Staff T&S, training & development, and HR costs	16	46	9	1	1	-	28	101
Grants payable to beneficiaries	757	-	-	-	-	-	-	757
Service delivery and project costs including grants paid to other institutions	26	185	20	-	6	-	30	267
Marketing and communication costs	9	58	19	5	-	-	7	98
Office cost including IT and accommodation	37	38	6	2	5	11	198	297
Audit, accounting and professional fees	-	-	-	-	5	19	-	24
Other expenditure	-	(2)	-	-	-	-	123	121
	1,194	988	210	45	91	30	834	3,392
Support expenditure	268	432	109	8	17	-	(834)	-
Governance	10	15	4	-	1	(30)	-	-
Total Expenditure 2021	1,472	1,435	323	53	109	-	-	3,392

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2022	2021
This is stated after charging:	£'000	£'000
Depreciation	2	2
Operating lease rentals:		
Property	106	151
Auditor's remuneration (excluding VAT):		
Audit	15	15
Other services	2	1

9. STAFF COSTS

Staff costs were as follows:	2022	2021
	£'000	£'000
Salaries and wages	1,129	1,437
Redundancy and termination costs	21	-
Employer's National Insurance contribution	122	148
Employer's contribution to defined contribution pension scheme	102	124
Other forms of employee benefits	9	9
Temporary staff	63	9
	<u>1,446</u>	<u>1,727</u>

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

	<u>22</u>	<u>32</u>
--	-----------	-----------

The full-time equivalent numbers of employees was 22 (2021:31)

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

	2022	2021
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	2	3
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £318,162 (2021: £472,748). This figure includes the pay of the Managing Director of Leadership Executive Search Ltd. The average headcount for the year of 22 reflects that there was an average of 32 staff for the first seven months of the year and 9 for the final five months of the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. STAFF PENSION SCHEME

The OA and its former trading subsidiary provides a voluntary, contributory group personal pension scheme which is insured with Royal London. There were 9 members of this scheme at the year end. Contributions paid by the OA and its trading subsidiary in the year amounted to £102K (2021: £124K). The prior year figure includes pension contributions to staff who carried out discontinued activity.

11. TRUSTEES

No trustee received remuneration. 7 trustees (2021:10) were reimbursed expenses incurred for travel. In 2022 this amounted to £6K (2021: £4K). No transactions have been undertaken in the name of or on behalf of the charity in which any trustee or person connected with such a trustee has any material interest.

12. RELATED PARTY TRANSACTIONS

Air Commodore C Coton, a trustee of the OA, is also Vice-President of RAF Women's Cricket. The OA agreed to sponsor RAF Cricket to the sum of £5K annually; the contract started in 2019-20. The decision to sponsor RAF Cricket was made before Air Commodore Coton became Vice-President of Women's Cricket. The OA also sponsors RN Women's Cricket. The final payments of £5K were made at the beginning of 2021/22.

Lee Holloway, OA Chief Executive Officer of the OA, became Chief Executive of Lady Grover's Fund (LGF) in July 2022. The OA is reimbursed for this role through the Service Level Agreement between the OA and LGF where LGF pays a quarterly management fee for services delivered by the OA. He was also the vice-chairman of COBSEO until 13 July 2022. As a long-standing member of COBSEO the OA paid a membership subscription to COBSEO of £1,750 in 2021-22 (2020-21: £1,670).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. GRANT MAKING (CURRENT YEAR)

	Grants to institutions £'000	Grants to beneficiaries £'000	Total 2022 £'000	Total 2021 £'000
Cost				
Grants and Welfare grants	20	613	632	777
Employment grant	-	-	-	10
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	20	613	632	787
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A grant is awarded to a beneficiary for a period of twelve months; after this time the grant expires. At any point in time the OA will have a 12-month grant liability which it recognises on a quarterly basis as an accrual. The liability is funded from existing reserves.

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

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

14. GRANT MAKING (PRIOR YEAR)

	Grants to institutions £'000	Grants to beneficiaries £'000	Total 2021 £'000
Cost			
Grants and Welfare grants	20	757	777
Employment grant	10	-	10
	<hr/>	<hr/>	<hr/>
At the end of the year	30	757	787
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. TANGIBLE FIXED ASSETS

	2022 Leasehold Improvements
	£'000
Cost:	
At 1 October 2021	7
At 30 September 2022	<u>7</u>
Depreciation:	
At 1 October 2021	5
Charge for the year	<u>2</u>
At 30 September 2022	<u>7</u>
Net book value	
At 30 September 2022	<u><u>-</u></u>
At 30 September 2021	<u><u>2</u></u>

16. INVESTMENTS

	Value at start of the year	Investment management fees	Proceeds on disposal	Net gain (loss)	Value at end of year
	£'000	£'000	£'000	£'000	£'000
THE GROUP AND CHARITY					
BlackRock Armed Forces Growth & Income Fund	10,218	(21)	(8,008)	(431)	1,758
M&G Charifund	4,615	(21)	-	(476)	4,118
M&G Charibond	295	(1)	-	(44)	250
Total Managed funds	15,128	(43)	(8,008)	(951)	6,126
Programme investments*	23	-	-	-	23
Total investments 2022	15,151	(43)	(8,008)	(951)	6,149
Total investments 2021	13,880	(62)	(1,000)	2,333	15,151

* Programme Investments are secured and unsecured loans to beneficiaries for capital expenditure. The balance as at 30 September 2022 consisted of 3 (2021: 3) such loans of between £6K and £10K each. Interest is charged on these loans but is payable only on repayment of the loan. No loans were repaid during the year (2021: nil).

The sum of £200K in cash and 2.8m units in BlackRock Armed Forces Growth and Income Fund was transferred to FEC. Proceeds on disposal of £8,008K include £6,608K for the units so transferred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

17. OA ADVANCE LIMITED

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

	2022	2021
	£	£
Unlisted investments:		
OA Advance Limited		
Investment at cost	100	100

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

	2022	2021
	£	£
Turnover	303,085	175,478
Grant from OA to OA Advance Limited	756,236	1,107,850
Total income	1,059,321	1,283,328
Cost of sales	(1,059,034)	(1,282,854)
Gross profit	287	474
Administrative expenses	(2874)	(474)
Operating profit	-	-
Corporation tax	-	-
Net profit for the year	-	-

The aggregate of the assets and liabilities was:

Assets	334,862	201,611
Liabilities	(333,506)	(200,256)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

18. PARENT CHARITY

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

	2022	2021
	£	£
Gross income	1,991	2,180
Results for the year	(8,673)	(1,405)

The large deficit is due to the transfer of cash and investments to FEC (£6,808,000) and the net write-off of the loan to Leadership Executive Search Ltd.

19. DEBTORS

	The Group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	81	74	14	15
Amount due from subsidiary undertaking	-	-	334	193
Other debtors	18	-	18	100
Accrued investment income	153	139	153	139
Other accrued income	3	12	3	12
	<u>255</u>	<u>225</u>	<u>522</u>	<u>459</u>

20. CREDITORS

Amounts Falling Due Within One Year

	The Group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	3	1	2	1
Grant commitments payable	149	221	149	221
Taxation and social security	15	38	15	38
Accruals	128	76	172	65
	<u>295</u>	<u>336</u>	<u>338</u>	<u>325</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

21. MOVEMENT IN CONSOLIDATED FUNDS (CURRENT YEAR)

	Balance b/f	Income	Expendi- ture	Sale or Revaluation Gain (Loss)	Transfer	Fund Transfers	Balance c/f
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds: OAPEF*	3,351	190	(15)	(346)	-	(190)	2,990
Restricted Funds							
Home of Devenish ¹	-	15	(15)	-	-	-	-
Seafarers UK ²	7	-	(7)	-	-	-	-
Seafarers UK ³	60	-	(40)	-	-	-	20
Grants and Welfare co-operation ⁴	-	164	(164)	-	-	-	-
Total Restricted Funds	67	179	(226)	-	-	-	20
Unrestricted Funds							
Designated Hardship Fund	1,540	500	(449)	-	-	-	1,591
General Unrestricted Fund	10,629	1,122	(2,128)	(605)	(6,808)	190	2,400
Total Unrestricted Funds	12,169	1,622	(2,577)	(605)	(6,808)	190	3,991
Total Funds	15,587	1,991	(2,818)	(951)	(6,808)	-	7,001

Transfer of Undertaking. OA and FEC agreed that the business activities and operations of the OA's employment services be transferred to FEC including the assets, employees and transferring liabilities. Cash of £200K and investments valued at £6,608K on the date of transfer was transferred to FEC. These funds are now held as restricted funds by FEC for the future benefit of officers. The administrative processes for the transfer of the investment was completed on 8 November 2022.

Purpose of the restricted funds

- 1 Home of Devenish: For the purpose of providing grants to single Christian women in need who are widows of officers in HM Armed Forces or retired officers in HM Armed Forces.
- 2 The Seafarers' Charity (new rebranded name): For the purpose of providing grants and support to RN former officers and their families (cooperation)
- 3 The Seafarers' Charity: for the purpose of providing grants and support to RN former officers and their families, in particular widows and Midshipmen (almonisation)
- 4 Grants and Welfare co-operation: For the purpose of providing grants to specific beneficiaries.

* The OAPEF - The Officers' Association Permanent Endowment Fund

Purpose of the Designated Hardship Fund

The Executive Committee (Board of Trustees) passed a resolution in 2019-20 to set up a Designated Hardship Fund to fund future grant payments to beneficiaries. £1.5M was moved into this fund at the end of the last financial year with the intention of adding half the remaining payments from RBL into the fund each year totalling £1.5M over the three-year period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

THE OFFICERS' ASSOCIATION PERMANENT ENDOWMENT FUND

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

22. MOVEMENT IN CONSOLIDATED FUNDS (PRIOR YEAR)

	Balance b/f	Income	Expenditure	Sale or Revaluation Gain (Loss)	Fund Transfers	Balance c/f
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds: OAPEF*	2,624	164	(15)	742	(164)	3,351
Restricted Funds						
Home of Devenish ¹	-	12	(12)	-	-	-
Seafarers UK ²	11	-	(4)	-	-	7
Seafarers UK ³	-	60	-	-	-	60
Grants and Welfare co-operation ⁴	-	147	(147)	-	-	-
Forces in Mind Trust ⁵	49	-	(49)	-	-	-
Total Restricted Funds	60	219	(212)	-	-	67
Unrestricted Funds						
Designated Hardship Fund	1,500	650	(610)	-	-	1,540
General Unrestricted Fund	10,106	1,323	(2,555)	1,591	164	10,629
Total Unrestricted Funds	11,606	1,973	(3,165)	1,591	164	12,169
Total Funds	14,290	2,356	(3,392)	2,333	-	15,587

Purpose of the restricted funds

- 1 Home of Devenish: For the purpose of providing grants to widows of former officers who belong to the Church of England.
- 2 The Seafarers' Charity (new rebranded name): For the purpose of providing grants and support to RN former Officers and their families (cooperation).
- 3 The Seafarers' Charity: for the purpose of providing grants and support to RN former officers and their families, in particular widows and Midshipmen (almonisation)
- 4 Grants and Welfare co-operation: For the purpose of providing grants to specific beneficiaries.
- 5 Forces in Mind Trust: Funding to identify the transition challenges and barriers that all ranks of Service leavers aged 50+ face when entering civilian employment

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

Group	Investments	Fixed Assets	Cash	Net Current Assets	Total
	£'000	£'000	£'000	£'000	£'000
OA Permanent Endowment Fund	2,990	-	-	-	2,990
Restricted funds	-	-	20	-	20
Unrestricted					
General	1,545	-	872	(40)	2,377
Programme Investments	23	-	-	-	23
Designated funds	1,591	-	-	-	1,591
Total Unrestricted	3,159	-	872	(40)	3,991
Total	6,149	-	892	(40)	7,001

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

Group	Investments	Fixed Assets	Cash	Net Current Assets	Total
	£'000	£'000	£'000	£'000	£'000
OA Permanent Endowment Fund	3,351	-	-	-	3,351
Restricted funds	-	-	67	-	67
Unrestricted					
General	10,238	2	477	(111)	10,606
Programme Investments	23	-	-	-	23
Designated funds	1,540	-	-	-	1,540
Total Unrestricted	11,801	2	477	(111)	12,169
Total	15,152	2	544	(111)	15,587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

25. OPERATING LEASE COMMITMENTS

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Group Property		Charity Property	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Leases which expire:				
Within one year	84	101	84	100
Within two to five years	-	80	-	80
	<u>84</u>	<u>181</u>	<u>84</u>	<u>180</u>

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

	2022 Group £'000	2021 Group £'000
Net (expenditure) for the year	(8,586)	1,297
Depreciation	2	2
Investment Management Charge	43	62
(Gains)/Losses on investments	951	(2,334)
Investment income	(448)	(605)
Transfer to FEC	6,808	0
(Increase)/Decrease in debtors	(29)	(12)
Increase/(Decrease) in creditors	(41)	(160)
Cash outflow from operating activities	<u>(1,300)</u>	<u>(1,750)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

27. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2021)

	Notes	Unrestricted Discontinued Funds £'000	Unrestricted Continued Funds £'000	Total Unrestricted Funds £'000	Restricted Discontinued Funds £'000	Restricted Continued Funds £'000	Restricted Total Funds £'000	Endowment Funds £'000	Total 2021 £'000
INCOME FROM:									
Donations and legacies	2								
RBL Funding		-	1,300	1,300	-	-	-	-	1,300
Other donations and legacies		46	7	53	-	72	72	-	125
Charitable activities									
Grants and Welfare activity		-	-	-	-	147	147	-	147
Employment activity		116	-	116	-	-	-	-	116
Investments		-	441	441	-	-	-	164	605
Other trading activity	17	-	63	63	-	-	-	-	63
Total Income		162	1,811	1,973	-	219	219	164	2,356
EXPENDITURE ON:									
Charitable activities									
Grants and Welfare activity	6	-	(1,303)	(1,303)	-	(164)	(164)	(5)	(1,472)
Employment activity	6	(1,379)	-	(1,379)	(48)	-	(48)	(8)	(1,435)
Membership activity	6	(321)	-	(321)	-	-	-	(2)	(323)
Trading activity		(94)	(68)	(162)	-	-	-	-	(162)
Total Expenditure		(1,794)	(1,371)	(3,165)	(48)	(164)	(212)	(15)	(3,392)
Net (expenditure)/income and net movement in funds before gains on investments		(1,632)	440	(1,192)	(48)	55	7	149	(1,036)
Net gains/(losses) on investments	16	-	1,591	1,591	-	-	-	742	2,333
Net income/(expenditure)		(1,632)	2,031	399	(48)	55	7	891	1,297
Transfers between funds	22	-	164	164	-	-	-	(164)	-
Net movement in funds		(1,632)	(2,195)	563	(48)	55	7	727	1,297
Reconciliation of funds:									
Funds brought forward		-	11,606	11,606	-	60	60	3	14
FUNDS BALANCE CARRIED FORWARD AT 30 SEPTEMBER 2022		(1,632)	13,801	12,169	(48)	115	67	730	13,033

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

OPINION

We have audited the financial statements of the Officers' Association ('the parent charity') for the year ended 30 September 2022 which comprise the consolidated and parent charity statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 30 September 2022 and of the group's and parent charity's incoming resources and application of resources, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Officers' Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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

SIGNED IN THE ORIGINAL

Date: 11 May 2023

Sayer Vincent LLP, Statutory Auditor

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

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

CHARITY INFORMATION

Incorporated under Royal Charter 1921

Charity Registration Number: 201321

Company Registration Number: RC000389

Patron:

Her Late Majesty Queen Elizabeth II

Presidents:

Lieutenant General Andrew Figgures CB CBE FREng

Air Marshal Sir Baz North KCB OBE MA FRAeS

Vice Admiral Peter Hudson CB CBE

Vice-Presidents:

P B Mitford-Slade Esq OBE (until 3 March 2022)

J D M Fisher Esq OBE (until 3 March 2022)

A J Spofforth Esq BA FCA

Mrs J R Lynch (until 4 Nov 2021)

Trustees:

Chairman of the Executive Committee

A J Spofforth Esq BA FCA

Members of the Executive Committee

Air Vice Marshal L S Chisnall CB

Air Commodore C Coton

Commander J Lea RN MBE

B Farrell Esq MBE (until 29 April 2022)

Surgeon Rear Admiral C J G McArthur FRCGP (until 29 April 2022)

R Sankey Esq (until 29 April 2022)

R Saund Esq JP DL (until 29 April 2022)

R Sinclair Esq (until 29 April 2022)

Ms D Stephenson (until 29 April 2022)

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Colonel M M Slattery RRC

Brigadier R A Smart OStJ

Major General J C B Sutherell CB CBE DL

Colonel J S K Swanston MB ChB FRGS OStJ

Key Management Personnel:

Mr L Holloway, Chief Executive Officer

Mrs J Killip, Finance Director

Ms L Blair, Employment Director (until 2 May 2022)

Ms L Blake, Membership Director (until 2 May 2022)

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CO-OPERATING CHARITIES AND ORGANISATIONS

CONTRIBUTING CHARITIES

The OA acknowledges with thanks the financial assistance given by the following military charities during the 2021-22 reporting year:

Service Charities

Burma Star Association
The Royal British Legion

Royal Navy, Royal Marines and Maritime Charities

Royal Navy Officers' Charity
The Seafarers' Charity
Women's Royal Naval Service Benevolent Trust
Greenwich Hospital

Army Charities

ABF The Soldiers' Charity
King's Royal Hussars
The Mercian Regimental Charity
Queen Alexandra's Royal Army Nursing Corps Association
Royal Army Educational and Training Services
Royal Artillery Charitable Fund
Royal Electrical and Mechanical Engineers Charity
Royal Engineers Officers' Widows Society
Royal Signals Association
Sirmoor Rifles Association Trust
The RAC Memorial Trust
The Rifles
The Rifles Benevolent Trust
The Royal Armoured Corps Charity
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The Royal Logistic Association Trust
The Royal Military Police Central Benevolent Fund
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Charles Brotherton Trust
St Andrew's Society For Ladies in Need
The Home of Devenish
The Guild of Air Pilots and Air Navigators
The Life Guards Association
Turn2us

SUPPORTING CHARITIES

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

Age in Spain
Age UK
Association of Charitable Organisations
COBSEO - The Confederation of Service Charities
Directory of Social Change
The Forces Employment Charity
Haig Housing
Independent Age
Law Express
Maritime Charities Group (Seafarers' Advice and Information Line)
The Not Forgotten Association
OA Scotland
Royal Commonwealth Ex-services League
Royal Airforce Association and Welfare Network
SSAFA Central Office and Welfare Network
The Silver Line Helpline
Triangle Outcomes Star
Veterans Aid
Zane - Zimbabwe A National Emergency

INDIVIDUAL AND FAMILY BEQUESTS

The OA is especially grateful to all the individuals and families who have made bequests or donations to the charity during the year. Their generosity mirrors faithfully the OA's founding principles and their contributions remain a vital component of the charity's ability to continue to fulfil its purpose. If you would like to donate or remember the OA in your will, please contact:

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