**THE OFFICERS’ ASSOCIATION SCOTLAND**

**Scottish Charity Number (SC010665)**

**(A Company Limited by Guarantee)**

**Company Number (SC 173449)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2021**



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**CHAIRMAN’S REPORT**

2020 was a challenge. The disruption caused by the Covid virus meant that we faced numerous difficulties in delivering our service. Physical meetings and networking proved impossible, but the team showed enormous flexibility in moving rapidly to a primarily online delivery. Impressively, our team were able to increase the scope and frequency of Employment Service activity, offering online training, networking, and employer events. Reacting to the strong proposition, participation by candidates and employers rose as well. Our team deserve a great deal of credit for the way that they improvised, adapted, and ultimately overcame many difficulties.

The strength of the Employment Service can be seen simply by looking down the list of marquee employers with whom we have good relationships and to whom we supply great quality candidates. From Amazon to Leonardo UK, Barclays and Babcock to the NHS and Scottish Government we have been active in highlighting the value employing former officers brings to a business. We are also hugely grateful for the support of these and other organisations when we set up training events for officers leaving the service or changing roles further into their post military careers.

One initiative that I would like to highlight is the meaningful extension of employment services to serving officers’ spouses. We as an organisation believe that there is a large pool of potential going untapped. Our understanding of the lifestyle of service families means that we can help employers recognise the wealth of experience and talent available within that pool of potential employees. Having grown up in a service family, I know the sacrifices that spouses make and if we can help even slightly in balancing commitment to the country with meaningful career development, then my mother will approve!

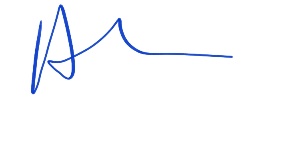
As the government responses to the pandemic evolved and the seriousness of the situation became clear, we anticipated a surge in individual welfare requirements and also a changing demand for our recently instituted organisational grants. We widened the criteria for the latter in expectation of potential emergency requests, enabling our grants team to make decisions quickly when needed.

Interestingly, in the event, individual welfare cases fell during the year and this experience has been mirrored by other military charities such as SSAFA. It is unclear as yet why this happened and whether this represents a postponement of need or a genuine feature of Covid times. It may represent the success of various government policies designed to mitigate the effects of Covid on the least advantaged but no matter the cause, we do not believe that this is a permanent reduction in need and are prepared for a return to more normal levels, if not a temporary bounce reflecting pent up demand.

The Association remains on a very sound financial footing despite the effects of the pandemic on investment income and capital volatility. This is testament to many years of prudent management of our resources by a succession of Board members and finance committee chairs. My predecessors in the Chair have always been clear that we exist for the benefit of current and future veterans and this has enabled us to remain grounded and realistic in our proposition. We are reticent about taking on new, long term commitments which may over-extend us. In fact, when we run significant surpluses, we look to disburse them in furtherance of our aim and mission but do so on a basis that maintains the long-term viability of the OAS. Two recent initiatives have been the organisational grants and the bursary programmes, both discussed within this report. The funding for these programmes derives from resources identified by our finance committee as additional to those required to support delivery of our core services. This funding is periodically topped up when market conditions are right, but both initiatives avoid open ended financial commitment that might undermine our ability to deliver our key activities of a personal employment service and the provision of welfare grants.

I cannot end this introduction without mentioning again our fantastic front office team. This year has challenged them, but they have risen magnificently to the task. Heather has led with a level headedness and sense of humour, along with flexibility of approach that we should all envy. Meanwhile Tom has expanded our footprint in the North and Amanda is key to our overall ability to reach people. I’d like to welcome Lynne aboard as our finance manager. She brings a focus and expertise into the vital management of day to day finances and oversight of our investments.

I have been honoured to be involved with the Officers Association Scotland for over a decade and have worked with a succession of strong, extremely capable board members and Chairs who have given unsparingly of their time. Your current board continues in that strong tradition and we have strengthened it further this year. Everyone on the main board simultaneously sits on one or more of our underlying operational sub-committees (finance, grants or audit). I would like to thank them for their ongoing work in keeping alive the ethos of the Officers’ Association Scotland and in their contributions to the current work of the OAS and their guardianship of the long-term future of our organisation.



Andrew Herberts

Chairman of the Trustees

**CHIEF EXECUTIVE’S REPORT**

While 2020 has undoubtedly been a year of challenges it has been a time for us at the Officers’ Association Scotland to celebrate our Centenary. 100 years celebrating our unique role as the only Tri-Service charity in Scotland supporting officers amidst the vast charity sector. I am honoured to be at the helm, to work with a fantastic team and to champion the many service man and women who have demonstrated to the British population, the instrumental work they undertake to keep us safe during these difficult times.

This year we have seen our working practices stretched but this has given us the opportunity to maximise our strengths and develop new ways of working. We hit the ground running with the implementation of our new five-year Strategy in April with the aim to enhance our service provision, raise awareness of our charity and services as well as become a more effective and efficient organisation. In 12 short months we have achieved so much, moving to a more digital platform to ensure we can continue to engage and offer the same valuable bespoke service.

We have transformed the way we work with an enhanced training and support model which includes, multiple e resources, monthly webinars and training workshops to an audience of over 1130 attendees. Our monthly networking events attract officers stationed across the globe and our quarterly employer events demonstrated a continuous rise in employers who have witnessed, first-hand for some, the core skills of leadership, resilience, thinking outside the box and just getting the job done. This was reflected in our client’s employment success with 58% more placed in jobs than that of last year. One such employer partnership has been with the Scottish Government, who during the last 6 months have employed numerous officers across their many departments.

To ensure awareness of our bespoke provision across Scotland, we developed our marketing and communications, promoting the brand of Scotland’s Officer’s Association. The enhancement of our social media and the launch of our new website and Scottish Executive Jobs board, at the latter end of the year, resulted in a huge sign up for our services. This has included Spousal support which we are delighted to be enhancing as we recognise the huge untapped talent that can benefit any employer. The development then of a new database at the back end of the website will also enable us to monitor and evidence the transition journey of our clients to civilian employment.

Our welfare provision remains a vital element providing so many officers and their families with financial support in times of need and hardship and it is with the greatest gratitude that I thank Poppyscotland for their role in administering this much needed fund. They have been instrumental with their practical support as well as their generous provision of HR, administration support, office accommodation, and facilities.

With the expansion of our organisational grants and bursaries we are delighted that once again we were able to offer financial support to the wider veteran charitable community with a key emphasis on sustainability. This enabled an offering of core or capital support as well as multiple year funding. Wide promotion of our bursaries saw 17 successful applicants to the sum of £34,411 for numerous educational courses to enhance employment opportunities. I look forward to developing these funding streams further and possibly identifying further opportunities to support our clients and veterans.

At the time of writing this report, we are still in a period of uncertainty, however we have risen to the challenge and we will capitalise on our new ways of working while continually looking to develop new opportunities such as mentoring and building on our Alumni.

We could not have achieved any of this without my amazing team who have gone above and beyond, and I am excited about taking Scotland’s OA to the next level with them and our supportive Board of Trustees. We are privileged to remain financially strong in these challenging times and as always, we shall remain committed to those that we support and serve, we shall not let them down.

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Heather McVeigh

Chief Executive

**DIRECTOR’S REPORT**

The Directors present their annual report and financial statements of the company for the year ended 31 March 2021. The financial statements have been prepared under the historical cost convention modified to include the revaluation of investments and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities 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.

**Our Charitable Object and Activities**

The Officers Association Scotland (OAS) is a registered charity, founded in 1920. The Charity’s principal objective is to provide support and relief to those persons who have at any time held a commission in any branches of HM Naval, Military and Air Forces, and of their wives, widows, husbands, widowers, civil partners, children and dependents either directly or through another similar charitable institution by making grants of money, loans, guarantees and generally by any other financial methods and to assist in their re-establishment in civil life through employment support, education, training and other relative support.

**Our Vision**

All Officers and their families in Scotland are supported to lead full and productive lives.

**Our Mission**

We exist to provide life-long support, resources, employment training and financial welfare assistance to officers and their families throughout their transition and beyond to ensure stability, security and independence.

**Structure, Governance and Management**

The company, which is a registered Scottish charity is limited by guarantee and is governed by a Memorandum and Articles of Association.

**Trustees**

10 Trustees have held office over the period of 2020-2021. All 10 have served as commissioned officers in HM Armed Forces. Trustees are selected through open recruitment and the OAS’s extensive network of contacts to match the diversity, experience and expertise required. Each potential candidate is interviewed by the Chair to assess their suitability for the role and then put to the Board meeting in June of each year. Directors hold office for an initial period of 4 years. New Directors receive a comprehensive Induction Pack and are directed to OSCR website for guidance on the responsibilities of Trustees. All Trustees are encouraged to attend training to remain up to date with the law and practices affecting the sector. All Trustees sit on at least one sub-committee.

**Management & Decision Making**

In accordance with the Memorandum and Articles of Association, the Board of Trustees directs the business of the company including policy, finance and operations and meets three times a year. A Chief Executive is appointed by the Trustees and receives direction from them in order to manage the day-to-day operations of the charity. The Chief Executive has delegated authority, as approved by the Trustees for operational matters including finance, employment, and welfare services.

The Board of Trustees has three sub-committees.

**Finance & Investment Committee** – The F&I Sub-Committee meets 3 times a year. It oversees OAS’ finance processes, scrutinising quarterly and annual figures and the draft budget while assessing our investment portfolio.

**Audit Committee** – The Audit Committee meets at least twice a year to review to ensure that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise, including risk analysis and risk management; and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice.

**Grants & Bursary Committee** – This one-year old Committee reviews our organisational grant and bursary giving, advising on processes and procedures of these funds, and making decisions on applications received.

**Collaboration**

Working collaboratively with other Service and civilian charities is central to OAS as it directly benefits those who require our support. We work closely with Officers Association in London as well as RFEA The Forces Employment Charity and Career Transition Partnership (CTP) to ensure that all officers have access to all relevant employment services and support. This is further enhanced by our partnership working with Veterans Scotland with our Chief Executive Officer (CEO) now Chair of their Employability Group.

We also work jointly with Poppyscotland who provide fantastic support to us as a charity, providing office space, HR and daily administrative as well as ongoing welfare support to ensure all those who need financial support receive it in a timely and appropriate manner.

We are also most grateful to our network of ex-clients and employers who give up their time to support those transitioning from the military. Without their continued commitment and support we would not be able to offer the same level of employment support to our clients.

**Grants and Welfare**

**Achievements**

Our aim of our Welfare Service is to relieve suffering, hardship, and distress and to promote relief of need.

This year the Welfare team dealt with 50 cases relating to individual and annual grants, distributing in total £81,243 (2020: £95,774).

As part of our Centenary year, we saw an increased role out of our Bursary Award scheme with 16 recipients receiving financial support to further their employment opportunities. We also enhanced our Organisational Grants to Veteran’s Charities across Scotland by offering core and capital funds over multiple year funding. In total we distributed £116,431 (2020: £96,325).

Even in these challenging times we have continued to work in partnership with Poppyscotland Welfare team and SSAFA to deliver a confidential service providing advice and support to meet individual needs whilst maintaining supportive contact with our beneficiaries.

Text

Description automatically generated with medium confidence**COVID-19**

**The onset of the COVID-19 pandemic in late March 2020 meant an unavoidable pause in our face-to-face visits. Nevertheless, to sustain support to existing caseloads the Welfare Support Service team took swift action, implementing enhanced telephone-based contact.**

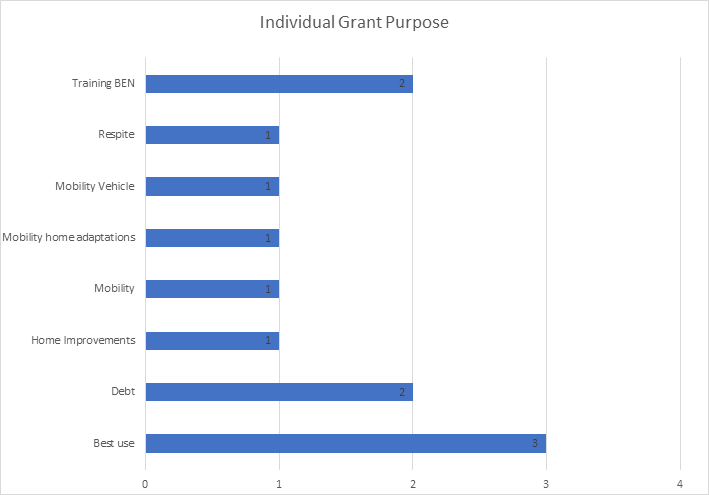
**The team continued to deliver much needed support during this period of isolation and were even able to take on additional cases.**

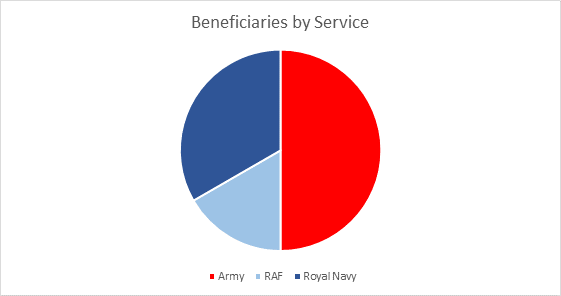
***“The support my father has received throughout these years has been lifesaving, it has given him security and independence to live his life to the fullest. We cannot thank you enough.”***

**Individual Grants**

We received 15 new applications for assistance in the last financial year, it has been extremely quiet at the beginning of 2021 with no submissions since December 2020.  15 awards were made, totaling £20,468 (2020: £26,539), with the average award being £1,365.  The average age of applicant is 63 and we had the same number of male and female applicants.  Grants were awarded for a variety of needs, with the most common grant purpose being for Best Use, Debt and Training.

OA Scotland supports the work of the Armed Services Advice Project and this aids our work in the area of debt relief.





**How we helped Sarah**

Sarah, \* an RAF Veteran was awarded a grant of £1,500 to help progress her medical studies and look after her well-being. This grant allowed Sarah to engage with therapy sessions to assist with her mental health and undertake training essential to her career in medicine. Unfortunately, Sarah was unable to afford the recommended treatment for her PTSD and other mental health problems, despite working long hours. She expressed her sincere gratitude for the grant awarded and stressed that the grant had “*significantly eased the pressure that had been causing the considerable anxiety*” for her.

**Annual Grants**

We currently support 31(average for 2020: 33) beneficiaries through our Annual Grants. This equates to financial support totaling £60,775 (2020: £69,235) with beneficiaries receiving between £195 and £650 per quarter depending on their level of need. One new award was granted, and four grants came to an end, three voluntarily and one recipient unfortunately passed away. The family of the recipient who passed away got in touch to relay their appreciation to Officers Association Scotland for the annuity that their mother received. This enabled the mother to engage in social activities and one of her favourite ways to make use of the grant was treating her friends to lunch. This contributed positively to their mother’s life. The average age of our annual grants beneficiaries is 67 and most recipients are female.

A group of people posing for a photo

Description automatically generated with low confidenceOne of our Annual Grants recipients celebrated her 100th Birthday in September. We arranged for the SSAFA caseworker who carries out her annual review to visit with a bunch of flowers on behalf of OA Scotland.

**Friendship Visitors and Caseworkers**

Our Friendship Visitors and SSAFA/RAFA caseworkers had to put a hold on visits during the first few months of the year due to Covid-19, with phone calls being the chosen method of communication. However, we were delighted that home visits were able to start up again in the summer. The purpose of these visits is to provide an annual point of contact with recipients of our grants as well as ensuring that our grant is fixed at the appropriate level. We remain indebted to the volunteers who carry out this work.

**Employ-Able**

We work closely with our sister charity, Poppyscotland, and are able to avail ourselves of their services on a recharge basis. In the year under review 1 retired Officer participated in their Employ-Able programme, a mental health employability programme aimed at getting those detached from the workplace back into work.

**Organisational Grants and Bursary Awards**

In February 2020 a Grants and Bursary Committee was formed of three members of the Board. The Committee would be responsible for the development and distribution of the grants and would report back to the board on progress and for input.

Following the commencement of our organisational grants in 2018 a review was undertaken this year due to the pandemic. An assessment of need was conducted which examined the needs of the charities previously supported and it was clear that support for charities should look at the medium and longer-term. This would enable them to adapt and build resilience and to develop understanding of what services will fundamentally be reshaped going forward.

In order to support charities to the best of our ability the Board agreed to offer financial support for core and or capital costs with the option of multiple year funding to support sustainability. This comprised of a one-year grant of £25,000, a grant of £15,000 a year for two years, or a grant of £10,000 a year for three years.

Seven applications were received in September 2020. Unfortunately, due to the pandemic site visits could not be conducted and so virtual assessments were undertaken by the CEO. These assessments were then reviewed by the Grants and Bursary Committee and they granted funding to five charities. These included Horseback UK, (£25,000), ASAP (£12,500), Erskine (£25,000), Bravehound (£10,000 a year for two years) and SAAFA (£7,000 a year for three years). Each charity is to provide progress of their delivery and an end of year report to highlight impact of their work and funding.

**Erksine**

A grant of £25,000 was awarded to Erskine for the purpose of purchasing a wheelchair accessible, Covid-19 compliant, Volkswagen Caddy for use by Erskine care home residents. The new vehicle will ensure the continued delivery of a number of key services for Erskine’s veterans.

A van parked in a parking lot

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Erskine Chief Executive, Wing Commander Ian Cumming, said:

“*Erskine is renowned for the provision of sector leading care services for elderly veterans and their spouses, but we can only achieve this through the generosity and commitment of our donors.  We are therefore extremely grateful to the Trustees of Officers Association Scotland for this substantial grant and their wonderful support of our care home residents.  The availability of this new, specially adapted Caddy will enable the ongoing delivery of our vital resident transport service and ensure our veterans’ safety and comfort when travelling to places of meaning and interest, attending hospital appointments and more.  I send our heartfelt thanks to everyone at Officers Association Scotland for their kind and much appreciated donation*.”

**Bursary Awards**

To celebrate OA Scotland’s Centenary the Trustees trial launched a Bursary Award in October 2019 and then fully expanded and promoted the award in 2020. This Award is designed to support currently serving or former officers in expanding their learning in order to enhance their employment opportunities. The Award aims to enable self-development, to achieve and progress in an existing or new career path. It can be used for a specific training programme, Higher or Further Educational institution across Scotland.

Applicants could apply throughout the year with reviews undertaken at each quarter. Each applicant was interviewed by the CEO and then a report was given to the Grants and Bursary Committee. In order to assess each application They are awarded after consideration of four factors:

* 1. The application should be part of a considered career development plan
  2. The applicant is making a personal commitment to this plan (this may be financial, professional or domestic)
  3. The course of study is employment focused and not a hobby or just a topic of interest
  4. Precedent: the committee will, periodically, refer to previous similar applications to ensure that awards are equitable

22 applications were received throughout the year and 16 were successful with a distribution of £34,411 (2020: £3,825). These applications ranged from one off courses to Masters and MBAs across a number of educational institutions in Scotland and England. Due to the success of the Bursary Award Scheme, we are delighted to continue to support serving or former officers to develop their learning going forward in 2021-22.

**How we helped Jim**

After 5 years in the British Army I joined the RAF reserves and currently serve as Flight Lieutenant.

I joined the Scottish Ambulance Service in 1991 to train as a Paramedic. During this time, I worked in a number of different frontline and senior leadership roles up to and including Deputy Director (General Manager) Level, leaving then in 2019 after 28 years’ Service. I took up a new post with Stirling Council as their corporate Risk, Resilience and Business Continuity lead.

Although, an experienced senior leader with wide ranging practice as an Incident Commander at Major Incidents and have significant knowledge in emergency planning including the preparation of large-scale national events and the delivery of a training and exercising programmes, I do not have a recognised professional qualification to support this.

I applied for a bursary through Scotland’s OA in April 2020. I am extremely fortunate to note that my application was successful, and I enrolled on a Post Graduate Certificate in Resilience Leadership and Management course.

This Post Graduate Certificate in Resilience Leadership and Management course is providing me with a professional qualification which is tailored to my role with Stirling Council, and it is increasing my knowledge of the Resilience landscape, including legislative requirements, governance arrangements and best practice.

In addition, the programme is providing me with relevant knowledge and skills that are directly transferable to my Reservist role including expanding my leadership and management knowledge and skills with regards to this specialist area.

The bursary from the Officers Association Scotland has enabled my learning experience to be possible. Without this funding, I would not have been able to undertake this programme.

Where appropriate, I would recommend that colleagues consider applying for a bursary with the Association. The application process is clear, structured and the team are very supportive. I would like to take this opportunity to thank Heather McVeigh, CEO, and the Board who endorsed my application and has enabled me to take forward my learning to enhance my career.

**Jim Dickie QAM, Team Leader – Risk & Resilience**

**Employment**

**Achievements**

We are delighted that in the past year Scotland’s OA has supported 1,134 job seekers thought a multitude of training, online events, and bespoke employment support. At the start of the pandemic many Officers, understandably made the decision to extend their service due to the uncertainty of the job market which obviously impacted our registrations by a decrease of 11% on the previous year. However, the job market was buoyant, and we experienced a 58% increase in our clients securing employment.

The pandemic allowed us to implement our 5-year Strategy at full speed, developing a strong digital platform, which allowed for daily one to ones, training, workshops, and monthly networking events. We launched a new website and our own Scottish Executive Jobs Board allowing us to offer a more direct Scottish experience for our clients. This was complimented by 22 new relationships with Scottish employers across the private, public and third sector.

Our offering of lifelong support has seen numerous re-registrations and our increase in spousal support represents an appreciation for the professional and tailored service that we provide, which has been further evidenced by 98% of clients who have rated our provision as an excellent, high value service.

Our expansion to the north of Scotland has not been hampered by the pandemic and instead our foothold has grown from strength to strength, with a number of new employers coming on board as well as the development of our new networking group, The Network North. This networking group officially launches in April 2021, with the support of Highland Council, NHS Highland, and employers such as Boeing, Highland Wireless and McDonald’s Land Trust.

We would like to thank the resettlement teams at Kinloss and Lossiemouth bases for their support and for the use of their premises for events as well as our employers such as NHS Highland and Highland Council.

Over the year we have provided support through:

* Delivering 118 one to one career consultations and 61 additional reviews of CV’s, interview preparation
* Hosting 4 online Employer events with approx. 300 attendees throughout the year enabling multiple job opportunities for officers
* Participating in 15 external networking events across the UK promoting the value of employing officers
* Hosting 12 monthly networking opportunities to support those transitioning or looking for a career change.
* Liaising directly with 82 employers to highlight the benefit of recruiting officers.
* Offering 239 Scottish employment opportunities through the Scottish Executive jobs board.
* Delivered 26 webinars, training and events to 847 clients across the world in utilising LinkedIn, how to find a job and cyber security etc.
* Offering direct support to 7 spouses or partners to enhance their employment opportunities.

**How we helped Adam**

*The Officers’ Association Scotland has been invaluable throughout my transition from the RAF.*

*Having lived in the south of England for many years, establishing a network and market intelligence for Edinburgh employers would have presented a far more daunting prospect without the team’s active support. Combined with a good selection of training events and consultations, the value that the Association offers Service leavers in Scotland is remarkable.*

*What sets the Association apart from other resettlement organisations is the active community that it fosters; the local networking events and contact lists allowed me to easily talk to former clients from a wide range of sectors about their experiences and advice. Having chosen to leave the RAF without a clear picture of what I wanted to do, engaging with Tom Denovan early on proved to be one of the most valuable calls that I made. I cannot recommend its services highly enough to those leaving or thinking of leaving the armed forces to work in Scotland.*

**Adam Blackwood**

**Website & Scottish Executive Jobs Board**

A new website and Scottish Executive jobs board was launched in November 2020 with a more interactive and engaging interface. A detailed catalogue of training seminars, webinars and resources are available to support the employment journey of every officer. The use of videos throughout enables a more authentic experience for clients and employers. Traffic to the website has increased by 69% with multiple page visits and client feedback rates the site as “informative and first rate.”

A database then sits behind the website which enables us to monitor the journey of each client and hence meet their needs more effectively and efficiently.

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**Graphical user interface, text, email

Description automatically generated**The launch of our Scottish Executive jobs board saw immediate signup from clients and in the last four months we have promoted 252 jobs. These roles represent a cross section of all sectors such as Defence, Consultancy, Finance, NHS, Civil Service, Engineering, Third sector, Energy and Education. Through promotion of our jobs board, we are delighted to have attracted a number of new employers to our services.

In taking our Jobs Board further we shall ensure that the client’s journey is a simple and straightforward to identify the right jobs in the right area for them.

**Spouses**

A person smiling at the camera

Description automatically generated with medium confidenceOur work with Spouses and partners has continued to increase with support provided to seven spouses this year and three of those successfully found employment. Many more have attended our training and workshop events as well as access to our jobs board. We aim to continue and enhance this service provision to ensure spouses and partners have all the opportunities available to them.

**Training & Events**

The enhancement of our training provision was a key objective and the pandemic enabled us to develop a diverse and informative portfolio of online events delivered to 847 attendees. These varied from an understanding of public appointments, LinkedIn awareness sessions, CV guidance, how to find a job and numerous insight days for different sectors. We also created a bank of webinars which covered market sectors, to specific employers and role types. This enabled us to present more niche subjects like cyber security, rural opportunities, and drone technology. The webinars were recorded and delivered live and then added to our bank of resources for clients to view at their leisure. We are delighted to see that the views on these reach into the thousands.

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**Networking**

OA Scotland recognise the need for networking both for those seeking employment and the employers themselves. While we have missed the face-to-face interaction, we continued to provide online networking events each month with a dedicated topic each month. This varied from risk and resilience, transition, financial awareness and self-employment.

By bringing together the Edinburgh and Glasgow networks we enabled more clients to meet and network. We also had many clients from overseas tuning in who would have otherwise missed these opportunities if it had been face to face. Looking ahead to 2021/2 we plan to provide a mix of online and face to face events with selected topics for certain months. We feel this will give the network more of a structure and allow clients to make the most of the sessions.

We are forever grateful to our those on our Contacts List which amounts to over 550 people, a good mixture of employers and former officers, who are happy to give personal advice and guidance on their transition journey, their employment sector and potential job opportunities.

**Employer Engagement**

During Covid-19 recruitment initially reduced however many sectors remained buoyant and so our time was spent building new and enhancing existing relationships to promote the many skills and values that military personnel bring. One of the many employers who recognised these values was the Scottish Government, who approached us to help with their recruitment in July. After hosting an Insight Day and assisting in the facilitation of the application process we were delighted that 22 clients were successfully hired across multiple departments within the Health and Social Care Directorate.

We continued to offer our Employer fairs online throughout the year with over 300 clients and over 100 employers in attendance. We were delighted with the range of sectors that were represented at each event and overjoyed to find a number of connections being made with numerous roles being filled.

***“My personal experiences of OAS in the last year have been extremely positive!  Of note the many Virtual Employers Events were a particular highlight, two of which I attended.  Even during a pandemic, the OAS team still managed to deliver fantastic support to the Armed Forces Community, the number of committed employers joining the Virtual Employers Events was impressive and if I were leaving the Military in the last 12 months I would have been reassured that there were employment opportunities out there.  Great work by the whole OAS team.”* John Carson (Assistant VP) Barclays**

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**Evaluation Review**

We continually monitor and evaluate our service to ensure we are meeting our client’s needs of those who completed our evaluation 94% were fully satisfied with the support of OA Scotland.

*“I can’t speak highly enough of the support I got from OAS at a challenging time. They were supportive, constructive, knowledgeable and friendly; I couldn’t have asked for more and I am extremely grateful.”*

*“After 35 years of service the transition to a civilian career appeared daunting.  I need not have worried.   OA Scotland guided me through the process and what was available, whenever I needed.  Through our dialogue they understood what I was looking for and helped me with the search.  They alerted me to jobs that interested me and was able to provide additional context and information that wasn’t available through my research.  They assisted me in my application for two positions and helped me understand the pros and cons of each post.  Through OA Scotland I was fortunate enough to be selected for my first choice; the perfect job in exactly the location I wanted.  I started last week.”*

**In March 2020, a military planning team was deployed to St. Andrew’s House, Edinburgh to support the Scottish Government’s (SG) response to Covid-19.**

The complexity, size and speed at which the pandemic developed was unprecedented, but it shone a light on the ability of military personnel to adapt and respond to a rapidly evolving situation.  They brought a disciplined approach to an ever-changing landscape and enabled insight and situational awareness at a time where SG colleagues were working hard to provide an appropriate response in support of our health and care services.  Working together, colleagues quickly identified the common skills required across both the military and the civil service, as well as the shared values that we held.  We identified a need for more individuals capable of working in fast evolving environments and being comfortable with the steep learning curves that are commensurate with such situations, so we connected with the Officers Association Scotland to explore the possibility of recruiting some ex-military personnel, or those about to leave the military, into SG.

In July 2020, the OA hosted an online session, supported by colleagues from the Office of the Chief Executive for NHS Scotland and a serving Army officer who had worked with OA Scotland and the Health and Social Care Directorates as part of that military planning team.   More than 50 individuals signed up for the event and Scotland’s Officers Association recorded it so that those unable to attend would be able to watch the session at their own convenience.

From the event, over 30 high quality expressions of interest were received for fixed term appointment opportunities.  From those, 22 ex-military colleagues have now been recruited into a number of roles across the Directorates, including in Outbreak Management, Health Resilience and Health Workforce.  Scotland’s Officers Association hosted a fantastic feedback session for this cohort of veterans in February 2021 and their reflections of coming to work in SG were very positive.  In fact, it’s been a very positive story from both our and their perspective, with a number having had their contracts extended already. They have brought a range of experience and skills that has been absolutely fundamental to our Covid response, and I would like to fully thank Scotland’s Officers Association for their professionalism and for the hard work it took forward in supporting us with this exercise.

I am also very keen to continue our work with the OAS over coming months to look at the career opportunities that might be provided for veterans across the NHS in Scotland, supporting veterans’ desire to continue to serve. Thank you so much once again.

Caroline Lamb

Logo

Description automatically generatedScottish Government - Director General for Health and Social Care

& Chief Executive of NHS Scotland

**Plans for the Future**

Our new 5-year strategy was approved by the Board and implemented in April 2020. We are delighted that through the pandemic we have been able to implement and achieve a number of the strands within each outcome.

In taking the strategy forward we shall continue to strengthen those aims we have achieved and deliver on those new exciting areas identified for development



**Financial Review**

In the Statement of Financial Activities Net income before gains and losses on investments is the term given to the surplus/(deficit) for the year (see page 27), which was a deficit of £203,085 (2020: deficit of £115,418).

Gains on investments amounted to £1,306,133 (2020: loss of £383,482), resulting in a net increase in funds of £1,103,048 (2020: net reduction of £498,900).

Total income amounted to £197,218 (2020: £251,345).

Investment income stood at £197,218 (2020: £228,192) of which £196,922 (2020: £225,326) related to income generated by the investment portfolio, just short of the revised target of at least £200,000 per annum set by the Board in 2010.

Total expenditure amounted to £400,303 (2020: £366,763), of which £44,250 related to the cost of raising funds (2020: £47,554) and £356,053 to charitable activities (2020: £319,209).

The total cost and details of Charitable activities, which under the revised reporting requirements of Financial reporting Standard 102 includes costs related to the governance of the company, is laid out in Note 6 of the financial statements and further explained in the relevant sections of the Directors’ Report.

**Investment powers and policy**

In accordance with Board policy of monitoring the performance of external services, the investment manager has discretion to manage the portfolio within the agreed risk profile to be measured against composite benchmark agreed in discussion with the Finance and Investment Committee; investment performance is also monitored against the WM Charity Unconstrained and Constrained by Income Universe.

The investment objective is “to achieve a balance return from income and capital growth and generate an income of at least £200,000 annually.” It is the directors’ policy to monitor periodically the level of income considered appropriate to the company’s requirements and in the light of global economic conditions. The investment committee receives reports from the investment manager and meets to review the portfolio’s performance on a quarterly basis.

During the 12-month period under review, the value of the portfolio has increased by £1,269,552 to £8,071,627 at 31 March 2021. (2020: (425,373 decrease). The investment portfolio has been well diversified across global markets, however due to the current situation a resilience model is being adopted by our investment managers. At this time, we are unclear if dividend levels in excess of the £200,000 base agreed with the investment managers are considered to be achievable going forward, however this will be regularly monitored by the Finance & Investment Committee.

The directors confirm that, in their opinion, the assets of The Officers’ Association Scotland are available and adequate to fulfil its obligations. Currently, funds stand at £8,340,120.

**Reserves policy**

As highlighted in previous Annual Reports, the directors have undertaken a review of the reserves of the charity during the current financial period. The review examined the capital available to the organisation and the nature of the income and expenditure streams.

The directors are satisfied that the investment portfolio represents the principal source of funding available to the charity and requires to be carefully managed to ensure that funds exist to meet the foreseeable activities of the charity.

The directors believe that the investment portfolio equates to a form of expendable endowment fund, which by means of a judicious investment policy will provide a level of reserves appropriate to enable the organisation to meet future demands for charitable assistance from ex-officers and their dependents. The directors intend to review finances to identify whether there is sufficient capital available to expand the Charity’s activities further.

**Principal risks and uncertainties**

The Board of Trustees has responsibility for the oversight of risk management at OA Scotland. Each year the Board conducts a review of the major risks to which the charity is exposed, and a formal risk management process has been established to identify and assess the risks and effectively implement risk management strategies. A Risk Register is maintained and kept under review by the Charity’s Chief Executive and Trustees.

This process involves identifying the types of risks facing the charity, prioritising them in terms of potential impact and likelihood of occurrence and identifying measures to mitigate the risks. As part of this process the directors have reviewed the adequacy of the charity’s current internal controls and are satisfied that they are appropriate to the organisation.

While 2020 has been impacted significantly by Covid 19 we are pleased that it has had a minimal impact on our service delivery and support provision. The Trustees will continue to review the situation as it progresses and implement risk management strategies if required.

The directors consider that the principal risks facing the charity are:

1. Over dependence on key individuals
2. Safeguarding of assets/investments from fraud and theft
3. Penetration of IT systems by hackers

Each of these has been considered and addressed as follows:

1. Over dependence on key individuals identified and addressed as part of Business Continuity Plan. The Head of Employment Services is able to cover for CEO if required (and vice versa) and Poppyscotland’s Welfare Services department is sufficiently well resourced that work can be distributed amongst other employees if necessary.
2. Vigilance is exercised. There are a limited number of agreed signatories for bank accounts and two signatories are required for large sums. External auditing is carried out and physical security measures have been implemented.
3. Due to the pandemic and a working from home policy IT scams and hacks have seen a significant increase. Systems have been put in place such as a Watchguard firewall system, password protection and Cyber Essentials Plus accreditation achieved.

***Key management personnel and remuneration policy***

The directors consider the board of directors, who are the charity’s trustees, and the Chief Executive to comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors’ expenses are disclosed in note 7 to the financial statements.

The chief executive’s remuneration is reviewed annually and normally adjusted in accordance with the size and complexity of the charity and the level of average earnings of other organisations in the sector.

***Directors and trustees***

The directors of the company are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

**Chairman**

Mr Andrew Herberts

**Directors**

Mr R K Littlejohn MA FFCS✝

Mr Anthony Perriam, MA, MBA, MRICS✝

Miss Emma Watson-Mack\*

Mr Nick Trowell\*

Mrs Sophie Mifsud✝⁕

Mr James Bryden ⁕

Mrs Liz McKinney-Bennett ⁕

Brigadier Suzanne Anderson\* *(appointed 6 October 2020)*

Mr Duncan Harwood✝ *(appointed 8 March 2021)*

Mr N G Brisbane, MA\*✝ *(resigned 2 June 2020)*

\*Member of the Finance & Investment Committee ✝Member of the Audit Committee

⁕Member of the Grants and Bursary Committee

**Chief Executive and Company Secretary**

Mrs Heather McVeigh LLB, BSC

**HR Manager** **Head of Finance**

Ms Pamela Beattie, MA, MCIPD Ms Lynne Grant

**Head of Charitable Services**

Mr G Gray

**Bankers**

The Royal Bank of Scotland plc

36 St Andrew Square

Edinburgh

EH2 2YB

**Auditor**

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

**Investment Managers**

Aberdeen Standard Capital

1 George Street

Edinburgh

EH2 2LL

**Registered Office**

New Haig House, Logie Green Road, Edinburgh, EH7 4HR

Tel: 0131 550 1575

***Statement of directors’ responsibilities in relation to the Financial Statements***

The directors are responsible for preparing the Directors’ Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

* select suitable accounting policies and then apply them consistently;
* observe the methods and principles in the Charities SORP;
* make judgements and estimates that are reasonable and prudent;
* state whether applicable UK 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 charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

* there is no relevant audit information of which the charitable company’s auditor is unaware; and
* the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

A resolution to appoint a statutory auditor will be considered by the Board each June when the business of an Annual General Meeting is addressed.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD

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Heather McVeigh

Company Secretary

1 June 2021

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF**

**THE OFFICERS’ ASSOCIATION SCOTLAND**

**Opinion**

We have audited the financial statements of The Officers’ Association (the ‘charitable company’) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**In our opinion the financial statements:**

* give a true and fair view of the state of the charitable company’s affairs as at 31 March 2021, and of the charitable company’s incoming resources and application of resources, including the charitable company’s income and expenditure, for the year then ended.
* have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
* have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

**Other information**  
The directors are responsible for the other information. The other information comprises the information included in the Directors’ Report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF**

**THE OFFICERS’ ASSOCIATION SCOTLAND *(continued)***

**Opinions on other matters prescribed by the Companies Act 2006**  
In our opinion, based on the work undertaken in the course of the audit:

* the information given in the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
* the Directors’ Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in theDirectors’ Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

* adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
* the charitable company’s financial statements are not in agreement with the accounting records and returns; or
* certain disclosures of directors’ remuneration specified by law are not made; or
* we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors’ responsibilities statement set out on page 15, the directors (who are also the trustees of the charitable company for the purposes of charity law) 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 directors are responsible for assessing the charitable company’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 charitable company 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 is detailed below:

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF**

**THE OFFICERS’ ASSOCIATION SCOTLAND *(continued)***

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charitable company’s financial statements. Our tests included, but were not limited to:

* agreement of the financial statement disclosures to underlying supporting documentation;
* enquiries of the directors;
* review of minutes of board meetings throughout the period;
* review of legal correspondence or invoices, and
* obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located 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 charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company’s trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company’s members and 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 charitable company, the charitable company’s members as a body and the charitable company’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Jeremy Chittleburgh BSc CA

(Senior Statutory Auditor)

For and on behalf of

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

7 June 2021

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# STATEMENT OF FINANCIAL ACTIVITIES

**For the Year ended 31 March 2021**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2021**  **Unrestricted**  **Funds**  **£** |  | **2021**  **Designated**  **Funds**  **£** |  | **2021**  **Total**  **Funds**  **£** |  | **2020**  **Unrestricted**  **Funds**  **£** |  | **2020**  **Designated**  **Funds**  **£** |  | **2020**  **Total**  **Funds**  **£** |
| Income and Endowments from: | |  |  |  |  |  |  |  |  |  |  |  |  |
| Donations and legacies | | 3 | - |  | - |  | - |  | 23,153 |  | - |  | 23,153 |
| Investments | | 4 | 197,218 |  | - |  | 197,218 |  | 228,192 |  | - |  | 228,192 |
| **Total Income** | |  | **197,218** |  | **-** |  | **197,218** |  | **251,345** |  | **-** |  | **251,345** |
| Expenditure on | |  |  |  |  |  |  |  |  |  |  |  |  |
| Raising Funds | | 5 | 46,313 |  | - |  | 46,313 |  | 47,554 |  | - |  | 47,554 |
| Charitable Activities | | 6 | 245,079 |  | 108,911 |  | 353,990 |  | 227,884 |  | 91,325 |  | 319,209 |
|  | |  | **291,392** |  | **108,911** |  | **400,303** |  | **275,438** |  | **91,325** |  | **366,763** |
| Net expenditure before losses and gains on investments | |  | (94,174) |  | (108,911) |  | (203,085) |  | (24,903) |  | (91,325) |  | (115,418) |
| Net gains/(losses) on investments | |  | 1,306,133 |  | - |  | 1,306,133 |  | (383,482) |  | - |  | (383,482) |
| Transfer of funds | |  | - |  | - |  | - |  | - |  | - |  |  |
| **Net income/(expenditure) and net movement in funds for the year** | |  | **1,211,959** |  | **(108,911)** |  | **1,103,048** |  | **(407,575)** |  | **(91,325)** |  | **(498,900)** |
| Total funds brought forward 1 April 2020 | |  | 7,093,397 |  | 143,675 |  | 7,237,072 |  | 7,500,972 |  | 235,000 |  | 7,735,972 |
| **Total funds carried forward 31 March 2021** | |  | **8,305,356** |  | **34,764** |  | **8,340,120** |  | **7,093,397** |  | **143,675** |  | **7,237,072** |

The above results relate to continuing operations.

The notes on pages 30 to 37 form part of the financial statements

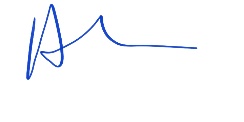
# BALANCE SHEET

**As at 31 March 2021**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2021** | | |  | **2020** | | |
|  | **Notes** | **£** |  | **£** |  | **£** |  | **£** |
| **Fixed Assets** | | | | | | | | |
| Investments | 9 |  |  | 8,071,627 |  |  |  | 6,802,075 |
| **Total Fixed Assets** |  |  |  | 8,071,627 |  |  |  | 6,802,075 |
| **Current Assets** | | | | | | | | |
| Debtors | 10 | 39,627 |  |  |  | 55,783 |  |  |
| Cash at bank and in hand |  | 251,390 |  |  |  | 399,864 |  |  |
| **Total Current Assets** |  | 291,017 |  |  |  | 455,647 |  |  |
| **Liabilities** | | | | | | | | |
| Creditors: amounts falling due within one year | 11 | 22,524 |  |  |  | 20,650 |  |  |
| **Net Current Assets** |  |  |  | 268,493 |  |  |  | 434,997 |
| **Net Assets** |  |  |  | 8,340,120 |  |  |  | 7,237,072 |
| **Funds** | 12 |  |  |  |  |  |  |  |
| Designated Funds |  |  |  | 34,764 |  |  |  | 143,675 |
| Unrestricted Funds |  |  |  | 8,305,356 |  |  |  | 7,093,397 |
|  |  |  |  | 8,340,120 |  |  |  | 7,237,072 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and signed on their behalf by:



A Herberts

Director

Date 1st June 2021

****

N Trowell

Director

Date 1st June 2021

Registered Company No: SC173449.

The notes on pages 30 to 37 form part of the financial statements

# STATEMENT OF CASHFLOWS

**For the year ended 31 March 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Notes** |  | **Total**  **Funds**  **2021**  **£** |  | **Total**  **Funds**  **2020**  **£** |
| **Net Cash used in operating activities** | 13 |  | **(382,273)** |  | (353,968) |
| **Cash flows from investing activities:** |  |  |  |  |  |
| Interest and dividends | 4 |  | 197,218 |  | 228,192 |
| Purchase of investments | 9 |  | (1,121,639) |  | (1,559,412) |
| Decrease in investment Cash Held | 9 |  | 143,382 |  | 11,746 |
| Realised (losses)/gains on investments | 12 |  | (8,019) |  | 32,951 |
| Proceeds from sale of investments | 9 |  | 1,022,857 |  | 1,556,606 |
| **Net cash provided by investing activities** |  |  | **233,799** |  | **270,083** |
| **Change in cash and cash equivalents in the year** |  |  | **(148,474)** |  | **(83,885)** |
| Cash and cash equivalents brought forward |  |  | 399,864 |  | 483,749 |
| **Cash and cash equivalents carried forward** |  |  | **251,390** |  | **399,864** |

Accounting Standards require the Statement of Cash Flows to be accompanied by an 'Analysis of Changes in Net Debt'.  'Net Debt' means debt finance less cash.  The charity had no debt finance during 2021 or 2020 and therefore its net debt is simply the negative of its cash balances.  Accordingly, the change in net debt is apparent from the Statement of Cash Flows.

The notes on pages 30 to 37 form part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

**For the year ended 31 March 2021**

1. **Company Information**

The Officers’ Association Scotland is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC173449. The registered office is New Haig House, Logie Green Road, Edinburgh, EH7 4HR. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

1. **Accounting policies**
2. **Accounting convention**

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investments and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

The Officers’ Association Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1. **Going Concern**

The financial statements have been prepared on a going concern basis.  The Directors are aware of material uncertainties related to Covid-19, which in an extreme case might cast doubt upon the entity’s ability to continue as a going concern. However, the Directors have assessed the Charitable Company’s financial position, with a focus on liquid assets, and having reviewed this against the costs of our operational activity, are confident that the Charitable Company has adequate resources to continue operating for the foreseeable future and certainly the next reporting period.

1. **Income from investments**

Equity dividends are credited to the Statement of Financial Activities in the period in which they are receivable; interest receivable from fixed interest securities and short-term deposits are dealt with on an accruals basis.

1. **Legacies**

Legacies are credited to the Statement of Financial Activities as soon as the conditions for receipt have been met and there is reasonable assurance and accuracy in respect of the amounts receivable.

1. **Benevolence grants**

Grants are recognised when a legal or constructive commitment has been made to a third party.

Grants to annual benevolence cases are recognised when paid on the basis that changes in the circumstances of individual recipients make it impossible to determine the eventual level of payments.

1. **Cost allocation**

The relevant reallocation of employee related and support costs have been allocated across the core functions on the basis of the basis of staff numbers within the respective functions.

1. **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charitable Company does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charitable Company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1. **Realised / Unrealised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1. **Fund Accounting**

General funds are unrestricted funds, which are available for use at the discretion of the directors in furtherance of the general objectives of the company, and have not been designated for other purposes. Restricted funds comprise amounts donated for specific purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. **Debtors**

Trade and sundry debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

1. **Cash at bank and in hand**

Cash at bank and cash 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. **Creditors**

Creditors are recognised where the Charitable Company 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. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1. **Financial instruments**

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1. **Pension costs**

Until 31 December 2020, the company contributed to a defined contribution pension scheme operated under the auspices of The Earl Haig Fund Scotland (EHFS. From 1 January 2021 the company set up their own, and completely separate from EHFS, defined contribution pension scheme.

Contributions were unchanged and unaffected. All contributions payable to the scheme for 2020-2021 are charged through the Statement of Financial Activities and are made on an individual employee basis amounting to 12% of salary by the company and 6% by the employee.

1. **Grants and Donations**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Poppyscotland |  | - |  | 21,398 |
| Other organisations |  | - |  | 1,755 |
|  |  | - |  | 23,153 |

1. **Investment Income**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Income from listed investments |  | 196,922 |  | 225,326 |
| Income from deposit interest |  | 296 |  | 2,866 |
|  |  | **197,218** |  | **228,192** |

1. **Raising Funds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Investment management fees |  | 44,250 |  | 45,987 |
| Salaries, national insurance and pension costs |  | 2,063 |  | 1,567 |
|  |  | **46,313** |  | **47,554** |

1. **Charitable Activities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| **Grants to ex-officers and dependents** | | | | |
| Annual review cases |  | 60,775 |  | 69,235 |
| Individual cases |  | 20,468 |  | 26,539 |
| Vocational Training Grants |  | 192 |  | 3,868 |
| Bursary Grants (Designated) |  | 34,411 |  | 3,825 |
|  |  | **115,846** |  | **97,167** |
| **Cost of administering grants** | | | | |
| Salaries, national insurance and pension costs |  | 14,060 |  | 6,270 |
| Other supporting costs |  | 2,063 |  | 2,576 |
|  |  | **16,123** |  | **8,846** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **No.** |  | **2020**  **No.** |
| **Grants to ex-officers and dependents** | | | | |
| Annual review cases at 1 April 2020 |  | 33 |  | 36 |
| New cases |  | 2 |  | 2 |
| Deaths/withdrawals |  | (5) |  | (5) |
| As at 31 March 2021 |  | 30 |  | 33 |
|  |  |  |  |  |
| Individual Cases |  | 15 |  | 22 |
| Total as at 31 March 2021 |  | **45** |  | **55** |
|  | | | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2019**  **£** |
| **Employment Advice** | | | | |
| Salaries, national insurance and pension costs |  | 77,854 |  | 88,566 |
| Other supporting costs |  | 43,497 |  | 25,531 |
|  |  | 121,351 |  | 114,097 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Grants to other organisations** | | | | |
| The Earl Haig Fund Scotland |  | 7,520 |  | 5,000 |
| Other Organisations (Designated) |  | 74,500 |  | 87,500 |
|  |  | 82,020 |  | 92,500 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Governance Costs** | | | | |
| Salaries, national insurance and pension costs |  | 4,687 |  | 1,567 |
| Executive members expenses |  | 527 |  | 1,352 |
| Other supporting costs |  | 10,436 |  | 615 |
| Auditor’s remuneration |  | 3,000 |  | 3,065 |
|  |  | 18,650 |  | 6,599 |
| **Cost of Charitable Activities Unrestricted** |  | **245,079** |  | **227,884** |
| **Cost of Charitable Activities Designated** |  | **108,911** |  | **91,325** |

1. **Staff Costs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Salaries |  | 82,785 |  | 84,015 |
| Social Security |  | 3,196 |  | 6,021 |
| Pension Costs |  | 10,620 |  | 9,934 |
|  |  | 96,601 |  | 97,970 |

No employee has emoluments in excess of £60,000 (2020: same).

Retirement benefits are payable to a defined contribution scheme operated until 31 December 2020 under the auspices of Poppyscotland to which The Officers’ Association Scotland contributed from 1 April to 31 December 2020 £7,965 (2020: £6,524) on behalf of eligible employees and to a separate company scheme contributed on behalf of eligible employees. £2,655 from 1 January to 31 March 2021; a total contribution of £10,620.

The average monthly number of employees during the period excluding directors was made up as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021** |  | **2020** |
| Average No of Employees |  | 2 |  | 2 |

The directors, who are key management personnel, did not receive any remuneration directly from the company during the period. One director was reimbursed for travel and accommodation expenses incurred in relation to representative and committee business undertaken on behalf of the company totalling £68 (2020: £267).

The Chief Executive, who is also considered to be key management personnel, received total employee benefits of £48,777 (2020: £50,554).

1. **Taxation**

The organisation has been granted charitable status for taxation purposes by HM Revenue & Customs. It is considered that the company’s activities were within the scope of its charitable status during the year and accordingly no provision for taxation has been made.

1. **Investments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Market value of listed securities at 1 April 2020 |  | 6,802,075 |  | 7,227,448 |
| Additions |  | 1,121,639 |  | 1,559,412 |
| Disposals |  | (1,022,857) |  | (1,556,606) |
| Unrealised gains / (losses) during the period |  | 1,314,152 |  | (416,433) |
| Movement in cash |  | (143,382) |  | (11,746) |
| Market values of listed securities at 31 March 2021 |  | 8,071,627 |  | 6,802,075 |
|  |  |  |  |  |
| 1. **Investments (continued)** |  |  |  |  |
| UK |  | 3,828,059 |  | 3,602.744 |
| Overseas |  | 4,045,207 |  | 2,858,758 |
| Cash |  | 198,361 |  | 340,573 |
| Market values of listed securities at 31 March 2021 |  | 8,071,627 |  | 6,802,075 |
| Cost at 31 March 2021 |  | 5,779,930 |  | 5,691,803 |

No individual investment represents more than 5% in value of the investment portfolio.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charitable Company is considered in the financial review and investment policy and performance sections of the Directors’ Report.

The main risk to the Charitable Company from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of ‘cheap money’ to the banking sector has led to wider over-valuation of traded assets (an ‘asset bubble’) that may depress equity values once economic conditions ease. The Charitable Company is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charitable Company’s investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charitable Company manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charitable Company does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

1. **Debtors**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Investment Income Receivable |  | 39,287 |  | 54,094 |
| Other Debtors |  | 340 |  | 1,689 |
|  |  | 39,627 |  | 55,783 |

1. **Creditors: Amounts falling due within one year**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Trade Creditors |  | 5,164 |  | 1.577 |
| PAYE/NI |  | 2,041 |  | - |
| Accruals and accrued income |  | 15,320 |  | 19,075 |
|  |  | 22,525 |  | 20,652 |

1. **Funds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| **Movement for the year** |  |  |  |  |
| Balance at 1 April 2020 |  | 7,237,072 |  | 7,735,972 |
| Net (outgoing) / incoming before investment gains / (losses) |  | (203,085) |  | (115,418) |
| Realised (losses) / gains on investment |  | (8,019) |  | 32,951 |
| Unrealised gains / (losses) on investments |  | 1,314,152 |  | (416,433) |
| Balance 31 March 2021 |  | 8,340,120 |  | 7,237,072 |
| **Fund Allocation** |  |  |  |  |
| Designated Fund |  | 34,764 |  | 143,675 |
| Unrestricted Fund |  | 8,305,356 |  | 7,093,397 |
| Balance 31 March 2021 |  | 8,340,120 |  | 7,237,072 |

The General Fund represents the funds of the charity which are not designated for any specific purpose.

1. **Reconciliation of net movement in funds to net cash flow from operating activities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2021**  **£** |  | **2020**  **£** |
| Net movement in funds |  | 1,103,048 |  | (498,900) |
| **Less** |  |  |  |  |
| Investment Income |  | (197,218) |  | (228,192) |
| (Gains) / losses on investments |  | (1,306,133) |  | 383,482 |
| Decrease / (increase) in debtors |  | 16,156 |  | (7,048) |
| Increase / (decrease) in creditors |  | 1,874 |  | (3,310) |
| Net cash used in operating activities |  | (382,273) |  | (353,968) |

1. **Share Capital**

The Officers’ Association Scotland is a company limited by guarantee and accordingly has no share capital.

1. **Related Party Transactions**

A close relationship based on cooperation exists between The Officers’ Association Scotland and Poppyscotland. Notwithstanding this relationship, both organisations are considered to be organisationally and functionally independent of one another and neither exerts control or substantial influence over the other.