

# Annual Report



2023/24

## CHAIR'S REPORT

### INTRODUCTION

**I would like to begin by passing on my heartfelt thanks to my predecessor Captain Nick Dorman for his eight years as Association Chair, preceded by his six years as Vice Chair Navy.**

Nick has been an exceptional leader and has steered the Board and Association through some very turbulent times. Whilst keeping its feet on the ground he has not been shy to challenge decisions that he sees as flawed and he has been a stalwart champion for the Reserves and Cadets in

**Highland RFCA  
Lord Lieutenancies  
and Area Committees**



all the committees and roles he has held. While he now steps down from being an office holder in HRFCA he moves on to be the Council Board Chair with the Council of RFCAs in London and we wish him well in that appointment.

Due to a reduction in both membership and units in the south west of the HRFCA area, the Board decided that it was necessary to reduce the number of Area Committees from three to two with effect from 20 April 2024. This was not a decision taken lightly and we very much hope that the new North and South areas will both have sufficient mass and membership to continue to thrive in the long term. The map (left) shows which Lieutenancies now lie in each area.

A very important decision the Board had to take in the last year was to approve the use of Non-Domestic Rate (NDR) rebate to fund some major fire safety and gas safety remedial works on the Cadet estate in the wake of specialist inspection reports. It is disappointing that the funding had to come from this source as opposed to routine estate funding and it has delayed some of our plans for other Cadet estate betterment and new build projects, for which the NDR rebate is usually used. Nevertheless, it was essential to remove these safety risks as speedily as possible and that we are doing.



*HRFCA Chair David Caddick.*



*Former Chair Nick Dorman.*

### HIGHER LEVEL CONTEXT

**Ukraine.** The UK Government's support for Ukraine in countering the aggression of Russia continues to impact on the defence environment. Training of Ukrainian Forces in the UK continues unabated and has had a significant impact on the availability of training estate for normal UK users, including the Cadets. Reservists and Reserve units have been heavily involved in delivering training and some of the lessons being learned will be of great value for the development of UK Defence, mobilisation and resilience plans. The political rhetoric has changed in recent months with the Prime Minister talking of the defence budget moving to a war footing and growing to 2.5% of GDP by 2030 so as to provide greater support for Ukraine and ensure that our own key equipment upgrades are funded.

**Future Defence Infrastructure System.** The most significant change programme for us at the moment is the major change in role of our Estate department that will move from delivering Hard Facilities Management (Hard FM) on the Volunteer Estate to assuring the delivery of Hard FM on the Volunteer Estate by a Regional Prime Contractor – Mitie – with effect from 1 August 2024. This change means that the delivery of Hard FM across the whole of the Defence estate will now be delivered by the

Future Defence Infrastructure System (FDIS). FDIS has been running on the Regular estate for over two years now. Mitie is the Regional Prime Contractor in Scotland. However, the Volunteer Estate is very different from its Regular counterpart which tends to be concentrated in a small number of areas close to large conurbations. The Volunteer Estate is highly dispersed, located in some very remote areas, is mainly simple structures and only operated part time. So it will be a considerable challenge for the Regional Prime Contractor to adapt their current systems to cater for this very different estate.

The key changes will be as follows:

- Mitie will staff the Helpdesk for reporting all faults on the Volunteer Estate, replacing our own Helpdesk.
- All statutory and mandatory inspections and tests (SMIT) will be delivered by Mitie, via its sub-contractors.
- All SMIT repairs arising from inspection, up to an Inclusive Repair Threshold (IRT) of a yet to be agreed figure will be included in the contract.
- Repairs above the IRT will be referred to CRFCA or the single Service funder for funding decisions.
- When planning future projects Mitie will be the preferred choice for bidder. RFCAs may go to alternative bidders to check for value for money.

- Mitie will be responsible for maintaining all condition surveys on the Volunteer Estate.
- The HRFCA Estate Team will assure the work of Mitie in all these areas against some very precise key performance indicators using a new Management Information System (MIS), data capture, reports, meetings and site visits.

Not all HRFCA Estate activity will cease though and we will continue to:

- Remain responsible for managing title deeds, leases and rentals for the Volunteer Estate.
- Work with the single Services and Cadet organisations to identify future estate priorities and assist units with the creation of Statements of Need.
- Work with councils to agree Non-Domestic Rate rebate on the Cadet estate.
- Commission new works and betterment projects on the Cadet estate funded by NDR rebate.
- Remain responsible for Soft Facilities Management where not already part of Project AQUITRINE (the Defence Infrastructure Organisation water and waste water public/private partnership).

A comprehensive transition process has already begun and there are many more steps for the Estate team to go through this summer, all alongside delivery as usual until 1 August. So it is going to be an exceptionally busy period ahead. At the appropriate time Reserve and Cadet units will also be trained for their role in the new system. And after 1 August there is a six-month test and adjust period to iron out any residual issues and confirm satisfactory delivery.

**RFCA Estate Optimisation Programme.** No space has been found in the defence budget to fund any of the Reserve super-centres envisaged by the RFCA Estate Optimisation Programme (REOP). One trial site has been identified in Manchester for future funding and proof of concept. There are no Reserve super-centre sites planned for HRFCA's area. We continue to work with the REOP team, and the national contractor, to develop and deliver the three proposed Joint Cadet Centres (JCC) at Dingwall, Alness and Nairn. But there are some significant affordability issues that I will cover in more detail in the Estate section of the report.



May 2024 – Work progressing at the Dingwall JCC site.

### Defence Relationship Management (DRM) 10 Year Review.

In the Employer Engagement (EE) area DRM is now 10 years' old and the Ministry of Defence has commissioned a detailed review of what it is delivering, why, and how it is going about its business, so as to ensure it remains relevant and appropriate for the next 10 years. Our EE staff have been consulted from the outset and have provided detailed input on the areas where they feel things are going well,

not so well and what better approaches might be taken. The review findings will inform the employer engagement operating plan for FY 25/26 and shape the organisation and its activities out to 2035.



September 2023 –RAF Regiment Reservists taking part in Annual Continuous Training at the Kirkcudbright Training Area.

**Creation of a Non Departmental Public Body.** The main recommendation of the 2019 Review of the RFCAs (the Sullivan Review) was to introduce primary legislation to formally change the 13 RFCAs and the Council of RFCAs into a single Non Departmental Public Body. However, the plan to implement this was suspended last year when it became evident that there was no space in this Government's legislative programme to achieve it. The Ministry of Defence still aspires to achieve this in the next Parliament but for the time being it is business as usual. Other recommendations that do not require primary legislation have been or continue to be addressed.

**The Current Financial Climate.** The Ministry of Defence is operating in very difficult financial times. One of the Sullivan recommendations moved us from being a small part of a very big Army budget, to being a big part of Chief of Defence People's much smaller budget. The RFCAs and CRFCA bid for £45.005M for FY 24/25 but were capped at £43.024M, a shortfall of £1.980M. A lengthy exercise was conducted to find the cuts to achieve the savings. HRFCA was required to find 3.9% of cuts from RFCA and Army Cadet Force (ACF) operating costs. An above 2% pay settlement last year and recent changes to the national living wage were unfunded and were covered from CRFCA reserves last financial year. Those reserves will not be available this year. This wage growth, alongside cuts in delivery allocations, means that salaries now account for 86% of our Grant in Aid budget, compared to 75% in 2016. This is not a sustainable model.

Another big change is that from 2024 we are no longer able to carry forward up to 2% of our Grant-in-Aid. As a cash-based organisation, where all bills and salaries are paid from the HRFCA bank account, this removes the flexibility to cope with start of year funding delays such as that which happened in the DRM-area last year. This reduction in operating flexibility has been challenged robustly by CRFCA with the service stakeholders and the Ministry of Defence, but so far without success.

**Volunteer Reserve Force Strength.** The size of the Volunteer Reserve Force continues to decline across all three Services. As at 1 October 2023 the trained strength of the Volunteer Reserve was 29,917, a decrease of 3.5% in the 12 months from 1 October 2022. The total strength of the Volunteer Reserve was 32,946, a decrease of 5.5% over the preceding 12 months.



## ESTATE

**Army Cadet Force Projects.** The planning application for the work at Barry Buddon Cadet Training Centre to modernise and extend the kitchen and dining facilities has been approved. Including a switch to an electric kitchen, in line with government sustainability guidance, we expect the finalised design package to be available to tender by the time this report comes out and for the work to be completed in this financial year. Elsewhere, the final snagging issues with the new modular build ACF hut at Mastrick Aberdeen were resolved early this year. The hut is now occupied and due to be opened officially by the Lord Provost in June. Extensive internal refurbishment work at Wick ACF hut was completed in May 2023 at a cost of £64K.

**REOP Joint Cadet Centre Projects.** The £1.3M project to create a Joint Cadet Centre at Dingwall started on 12 February 2024. After considerable delays, caused by the main REOP contractor, the project was given back to HRFCA to manage in the normal way. The local contractor we have appointed to deliver the project is Morrison's Construction who delivered the training refurbishment project at Boddam Cadet Training Centre (CTC) last year, which went extremely well. The REOP team is reviewing the options for the Joint Cadet Centres in Nairn and Alness, but there are significant concerns about the affordability of these two projects as well as the whole REOP programme.

**Royal Air Force Air Cadet (RAFAC) Projects.** We have completed, or are in the process of completing, minor refurbishments at six Air Cadet locations at a total value of £860K. The sites are at Craigiebarns Dundee, Auchtermuchty, Cheviot Road Kirkcaldy, Cumbernauld, Stirling and Burntisland. Works at Carnoustie JCC have been specified and will be tendered this financial year. Numerous low value minor new works across the Air Cadet estate have also been completed.



*February 2024 – The Dunfermline Army Reserve Centre site being backfilled.*

**Army Reserve Centre (ARC) Projects.** Henry Brothers began the ground work to build the new £9.4M Dunfermline ARC in early December. The project is currently running 21 weeks behind schedule as a result of four different types of historical unexploded ordnance being found on site during early excavations. Fast work to reassess the risk and agree a safe system of work with subject matter experts allowed the project to resume.

Piling was eventually completed without incident on 21 February 2024 and the steel shell of the new ARC is now under construction. The facility is due to open in 2025.

A £240K contract to address the structural issues with Red Lion garages in Arbroath revealed much higher levels of corrosion than was previously assessed, which resulted in a two month delay and additional works being required. Now completed, these works have prevented the closure of the site.



*February 2024 – 350 piles were driven into the ground at the Dunfermline Army Reserve Centre site.*

**Fire and Gas Safety Remedial Projects.** A £1.1M NDR rebate funded programme of upgrades to improve fire doors and compartmentalisation in the sleeping areas at all Cadet Training Centres, following the Fire Protection Agency survey last year, is under way. There is no funding available yet from Top Level Budgets (TLBs) to tackle the sleeping sites on the Reserve estate. In the meantime the current fire risk assessments remain valid and there is no change to the risk to life. Non-Domestic Rate Rebate funding has also been used to deal with critical and high priority gas remedial issues on the Cadet estate and at ARCs which also contained Cadets, so as to prevent their closure to Cadets. This should be completed by June.

**Regionally Generated Income (RGI).** Income generated from the Volunteer Estate is projected to more than double over a five-year period thanks to considerable effort by our Soft Facilities Management team, assisted by a number of unit Commanders, to exploit new opportunities. To remind readers, a proportion of RGI goes directly back to units and a large part is disbursed in the form of welfare grants and direct grants to Commanding Officers. It also funds marketing publications and RFCA community engagement events.

The Soft FM team also applied to councils for mandatory and discretionary Non-Domestic Rate Rebate for Cadet sites. This money is used to deliver improvements on the Cadet estate. A change to the application process and required documentation, along with a reduction in the number of Cadet sites, saw a drop in rebate between 2022 and 2024. But thanks to successful engagement by our Soft FM Manager most of these are to be re-instated this year. Our sincere thanks to the councils for re-assessing the rebate they return to HRFCA to re-invest on the Cadet estate.



May 2024 – The steel frame for the new Dunfermline Army Reserve Centre was installed and (inset) how the completed building will look. Below – A construction worker places a steel beam into position.



The Red Lion garages in Arbroath during works (top) and following completion.



May 2024 – Work on the extension at Dingwall Joint Cadet Centre (left), and (right) the new modular build Cadet hut at Mastrick, Aberdeen.



RAFAC projects (from left): Craigiebarns (Dundee), Cumbernauld and Dumbarton.



## CADETS



June 2023 – Cadet Open Day in Dundee.

**Overall Numbers.** As the table shows, in general Cadet numbers are rising slowly but the number of Cadet Force Adult Volunteers (CFAVs) is still declining, with some exceptions. For the ACF the reduction in CFAVs continues to impact on Cadets, with some Detachments being mothballed or volunteers doubling up and parading in two locations each week. For the Air Cadets there are some Squadrons with intakes capped or with waiting lists because they have insufficient CFAVs. In the North Scotland Wing, the lack of CFAVs is still restricting the post-COVID re-opening of some isolated units.

**RFCA Professional Support Staff (PSS) Working Hours.** Changes are being brought in to regularise and standardise the 'out of hours' work that the PSS, who are HRFCA employees but who work for Army Cadet Battalions by providing administrative and logistic support for them, undertake as part of their All Hours Worked contract. This change has been driven by the Council of RFCAs and Army HQ in response to the need to accurately quantify the amount of support available on the one hand and the need to cost activity on the other. PSS time is a finite resource to be used on the most important tasks and not over (or under) utilised. A particular challenge for us in the Highlands is one of geography and dispersed locations, which results in much longer journey times (which are part of working hours) than in other areas of the UK. Successful delivery of the change will require both the Adult Volunteer leadership and PSS to be on exactly the same page and for detailed forward planning to take place across the training year.

**ACF Budgetary Cuts.** The Army Cadets are also impacted by the budgetary pressures that are being felt throughout Defence. Grant in Aid funding, which is provided to the RFCAs for ACF enabling activities, has been reduced for

the coming year, in our case by £40.5K (or 16.4%). Whilst this is a significant decrease, it has, in the most part, been mitigated by changes in Army support for ACF vehicles. Being able to transfer the cost of all ACF fuel directly to the Ministry of Defence will offset around 80% of this saving. The remaining balance will be split on a pro rata basis between the Battalions for them to manage.

**ACF Camps.** The Black Watch, Argyll and Sutherland Highlanders and Angus and Dundee Battalions have all recently completed successful spring camps at Barry Buddon. The current model of spring and summer camps is likely to become a thing of the past for budgetary and pressure on Defence Training Estate reasons. It is expected that in future each ACF Battalion will be resourced for one single week-long camp per year. Plans to support the detail for this are still being developed by Regional Command, however the intent has been clearly communicated. This raises questions about how to complete the Army Cadet syllabus with less training time. It is worth noting that both the Sea and Air Cadets are going through syllabus reviews with the intent of 'doing less but doing it better'.



October 2023 – An Army Cadet Force Pipes and Drums Concentration was held at Barry Buddon CTC.

**Cadet Music.** The Annual Cadet Beating Retreat took place on 20 April 2024 on the Edinburgh Castle Esplanade and showed that Cadet music is gradually returning to pre-COVID standards. Callum Moffat, the new SO2 Pipes and Drums, is now well established and has already completed a number of band concentrations. He has used HRFCA funding to purchase some much-needed piping equipment to cover an expansion in the size of the band. Sadly, the anticipated performance by the Pipes and Drums at Balmoral this summer will not take place due to competing demands on His Majesty's time. But it is very much hoped the performance will go ahead next year.

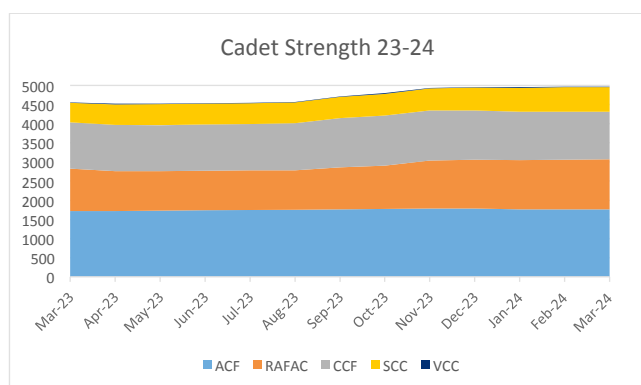


Figure 1 – Cadet strength 23-24.

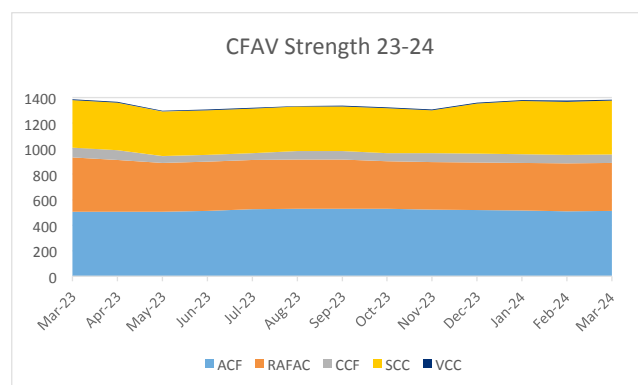


Figure 2 – CFAV strength 23-24.

ENGAGEMENT

**Statistics and Finance.** The table below shows the number of Armed Forces Covenants and Employer Recognition Scheme (ERS) Awards achieved in 2023 and so far in 2024. Readers will note that the applications for this year are notably reduced for a number of reasons.

- Firstly, late confirmation from the Ministry of Defence of the essential criteria for the Scheme, and the inclusion of significant new criteria relating to working with and supporting local Cadet units, gave Regional Employer Engagement Directors (REEDs) very little time to brief companies and for companies to provide evidence. Many companies have also questioned this criteria and feel it is not appropriate.
- Secondly, late delivery of last year’s budget, and a 37% budget reduction when it did arrive in August, served to compress more events into the second six months of the last financial year. Combined with the 35% reduction in the EE budget for this year, this is likely to have a notable impact on the number of new Armed Forces Covenants delivered. The Employer Engagement team is working fast to develop new initiatives and ideas to mitigate this shortfall.
- The Gold window closed on 13 March 2024 and the Silver ERS window closed on 17 April.

**Events.** 11 businesses received their Gold Awards in November 2023 at Scone Palace from Chief of Defence People, Vice Admiral Phil Halley and 29 businesses received their Silver Awards from Major General Bill Wright, General Officer Scotland, in a ceremony at The Black Watch Castle and Museum in Perth in June 2023.

Routine employer visits and engagement were severely curtailed for the first six months of the financial year due to funding delays. However, with support from the single Services, employers were able to visit RAF Lossiemouth and HMS Prince of Wales. And in a combined event with Lowland, North West, North East and Northern Ireland RFCAs multiple employers were hosted and engaged with at the Royal Edinburgh Military Tattoo. Due to the budget reduction already mentioned, the number of engagement events to be delivered will reduce from 30 events last year to 19 events for this year.

**Highland Gold Network.** The Highland Gold Network has met three times this year: in Aberdeen, at RM Condor, and at Discovery Point in Dundee. Stephen Massetti from the Scottish Ambulance Service handed over as the Chair of the Highland Gold Network to Sharon Faulkner at the last

meeting and I would like to take this opportunity to both thank Stephen for his guidance and support and to welcome Sharon as the new Chair which also includes being an Ex-Officio member of the Association’s Executive Board.

**Community Engagement.** Outreach work into wider communities continues and our Head of Engagement has attended and spoken at a number of events in Dundee over the last year. We continue to use the value of the Cadet Forces to society as an entry point into the ethnic minority communities and hope to have Cadets attending some events in person next year.

In June we arranged a second tri-Service Cadet Open Day in Dundee, a considerably larger event and building on the



November 2023 – Representatives from the 11 employer organisations to receive ERS Gold Awards in 2023 with Chief of Defence People Vice Admiral Phil Halley.

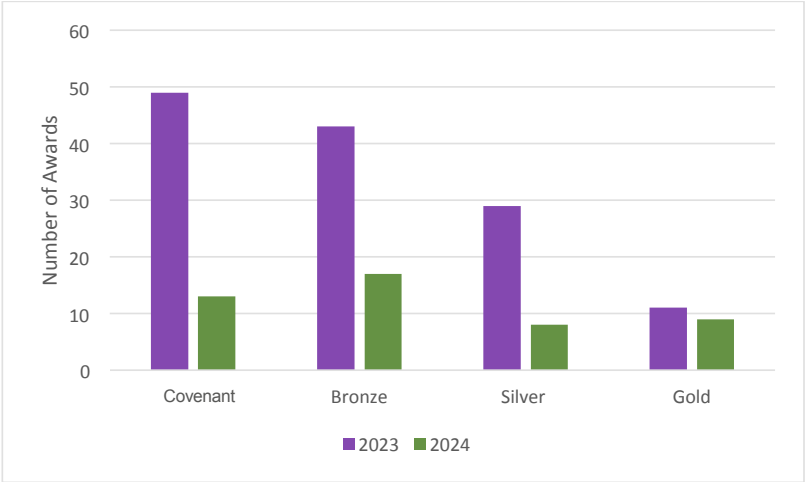
previous year’s pilot. An excellent turnout and effort from Cadets and adults, aided by glorious sunshine, led to a hugely successful day in Dundee City Square.

**Marketing and Communications.** The Area Committee reorganisation has meant a refresh of maps and other paraphernalia, including the Association Handbook, has been necessary. *High-Light* magazine continues to be produced in hard copy twice a year, supplemented by four editions of our electronic newsletter. Flyers, posters and other marketing material are regularly refreshed and created to support and enhance the activities of the Employer Engagement team.

The new HRFCA website went live on 22 May, with the popular Interactive Map function carried over to the updated site, replacing the Find-a-Unit function. In addition to website improvements, all four platforms of our Social Media continue steady growth – enabling us to successfully reach a broad and diverse target audience.



June 2023 – The ERS Silver Award winners with Major General Bill Wright (front, centre) at The Black Watch Castle and Museum.



Employer Recognition Scheme Awards attained per level for 2023 and 2024 so far.

## FINANCE AND HUMAN RESOURCES

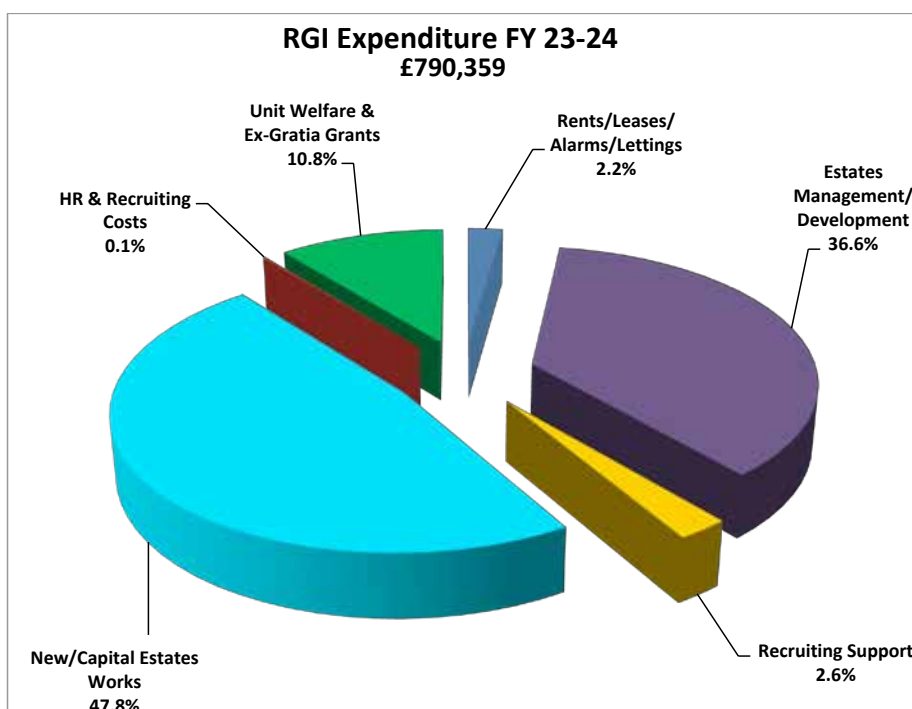
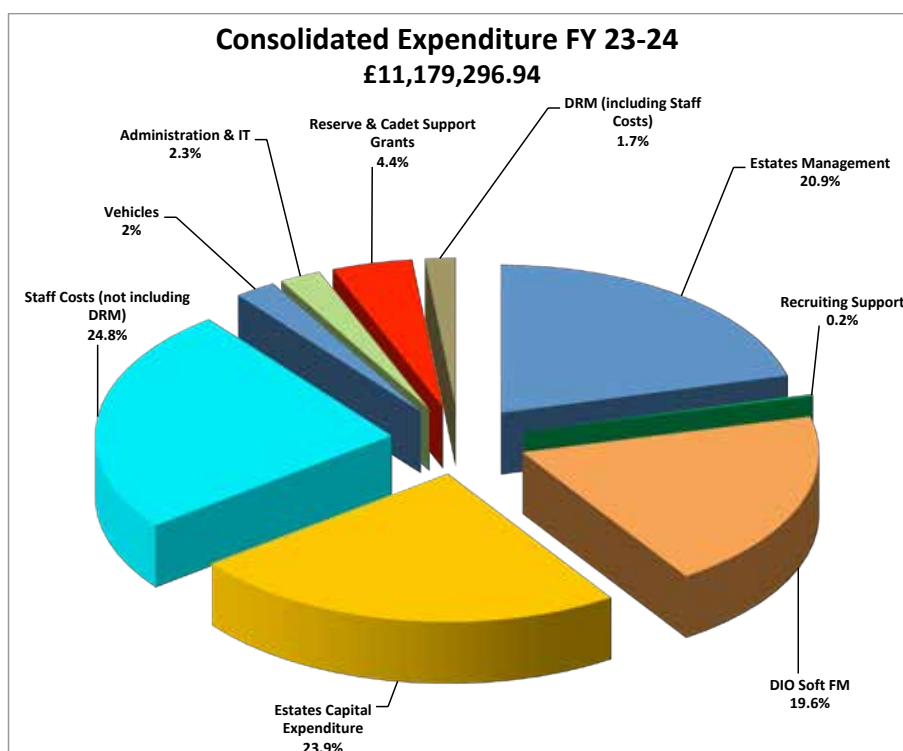
**The consolidated account sheet for Financial Year 23/24 is shown on the opposite page.**

Income from our stakeholders (Ministry of Defence for employer support, Defence Infrastructure Organisation (DIO) for estates management and the three Services for Reserve and Cadet administration and certain estate projects) totalled £10.979M, an increase of £570K on the previous year. Pie charts show in which areas Grant-in-Aid (GiA) and Regionally Generated Income (RGI) were expended.

RGI income amounted to £1.22M with all less £222K coming from Non-Domestic Rate (NDR) Rebate on Cadet properties. The Association disbursed £90.2K of welfare and ex-gratia grants to units from RGI of which £48.2K went to Reserve units and £42K to Cadet units. With the introduction of FDIS in

the Estates area the amount expended on projects as a whole will reduce over this financial year and into next.

Due to a number of salary increases in year; pay award of 4.5% against a forecast of 2%, new allowance for all Administrative Officer and Skill Zone 2 staff and a one-off Cost of Living Allowance (COLA) payment of £1500 to all eligible staff has meant there was a considerable overspend in this area. This was managed by balances brought forward from the previous financial year and injection from CRFCA central funds. Our ability to carry forward a 2% reserve in GiA, DIO Soft FM & DIO Hard FM has changed this year in that it is still unsure as to whether we will be allowed any reserve carry forward in GiA, our DIO Hard FM was reduced from 2% to 1%, however DiO Hard Fm remained at 2%.





## INCOME AND EXPENDITURE 2023/24

INCOME				EXPENDITURE			
RAC	Detail	£	£	RAC	Detail	£	£
<b>REGIONALLY GENERATED INCOME</b>				<b>ESTATES MANAGEMENT</b>			
RMB001	Rent Receipts - Land	0.00		NDA002/SMI	Statutory & Mandatory Inspections	492,754.21	
RMB002	Rent Receipts - Buildings	177,013.83		NDA002/SMT	Statutory & Mandatory Tests	0.00	
TPA001	Bank Interest	0.00		NDA002/SMW	Statutory & Mandatory Works	756,849.72	
RNA003	Receipts - Miscellaneous	799,715.62		NDA002/PMP	Planned Maintenance - Preventative	26,339.01	
	<b>Sub Total</b>		<b>976,729.45</b>	NDA002/PMG	Planned Maintenance – Grounds	113,984.88	
				NDA002/PML	Planned Maintenance – Life Cycle	19,966.22	
<b>REGIONALLY GENERATED INCOME</b>				NDA002/RME	Reactive Maintenance – Emergencies	0.00	
RAA000	Sale of Land & Buildings	0.00		NDA002/RMR	Reactive Maintenance – Routine	755,833.75	
RBA001	Sale of Vehicles & Other Equipment	0.00		NDA002/IW	Incidental Work	0.00	
RLB017	Receipt - Employer Support Events	0.00		NDA002/LC	Life Cycle Replacement	0.00	
RLB018	Receipt - Recruiting	0.00		NDA002/CG	Condition Grade Improvement	0.00	
RAA004	Gains on Sale of Vehicles	45,121.56		NDA002/MNW	Injectons / Projects RDEL and MNW	171,980.47	
	<b>Sub Total</b>		<b>45,121.56</b>	NPB025	Prof Fees/Ext Assistance	2,525.00	
	<b>TOTAL INCOME</b>		<b>1,021,851.01</b>	NEA001	Works in Aid of Disposal	0.00	
					<b>Sub Total</b>		<b>2,340,233.26</b>
<b>FUNDING SUMMARY</b>				<b>CAPITAL EXPENDITURE</b>			
QEA013	RC - RFCA Grant-in-Aid	3,348,012.19		BAX000	Land & Buildings	0.00	
QCA003	RC - Grants to RF and Cadets	0.00		BFN080	Purchase of Vehicles	0.00	
QFA007	RC - Vehicles	486,408.61		BWC000	Assets in the Course of Construction	2,672,736.44	
QCA099	DIO - Soft FM	2,213,929.29			<b>Sub Total</b>		<b>2,672,736.44</b>
RLB009	DIO - Hard FM	1,851,211.60		<b>STAFF COSTS</b>			
RLB016/R	DIO - Projects - RDEL	167,190.21		LIC001	Non Ind Civ Staff Pay	2,242,254.43	
RLB016/C	DIO - Projects - CDEL	2,295,274.65		LPA001	Non Ind Civ ERNIC	229,855.46	
RLB011	RFC - DRM	184,639.07		LID001	Civ Ind Staff Pay	159,447.12	
RLB012	Funding Sundry	750.00		LPB001	Civ Ind ERNIC	11,882.14	
RNA010	Navy	0.00		LMZ001	Non PCSPS Pens Payments	260,460.57	
RNR000	Navy - RDEL	0.00		LKC001	Redundancy Payment	0.00	
RNC000	Navy - CDEL	0.00			<b>Sub Total</b>		<b>2,903,899.72</b>
RAF001	RAF - RDEL	0.00		<b>INFRASTRUCTURE</b>			
RAF002	RAF - CDEL	0.00		NAA000	Heating Oil	0.00	
RNA011	RAF Reserves - RDEL	4,721.17		NAB000	Gas	0.00	
RAF000	RAF Reserves - CDEL	0.00		NAC000	Electricity	0.00	
QEB007	RAFAC - Input	129,434.70		NAD000	Water & Sewage	0.00	
QEB008	RAFAC - RDEL	0.00		NCA010	Estate & FM Accom Stores	89,918.45	
RNA007	RAFAC - CDEL	0.00		NLA001	Energy Cons & Env Chge & Trade Wast	123,584.30	
RNA012	RGI - Regionally Generated Income	220,052.98		NBA005	Rates/NDR	1,927,638.00	
NCA003	Army Infra - RDEL	77,260.07		NPA003	Sub-Letting Costs	17,776.59	
BWC080	Army Infra - CDEL	0.00		NBA001	Rents/Leases/Alarms/Lettings	32,014.31	
FA0001	Fixed Assets	0.00			<b>Sub Total</b>		<b>2,190,931.65</b>
	<b>TOTAL FUNDING</b>		<b>10,978,884.54</b>	<b>IT &amp; COMMS</b>			
				NNA010	IT Minor Equipment HW/SW	36,459.58	
				NNA002	IT Maintenance Services & Contracts	6,294.00	
				NNA004	Line & Tel Rental	86,897.10	
					<b>Sub Total</b>		<b>129,650.68</b>
				<b>TRANSPORT &amp; MOVEMENT</b>			
				PSA002	Lease of Vehicles	4,500.00	
				PVA007	Vehicle Maint	19,964.62	
				PBA001	Fuel (Non Utilities)	261.97	
				BTD000	Depreciation	227,596.97	
				RAA005	Loss on Sales of Vehicles	882.57	
					<b>Sub Total</b>		<b>253,206.13</b>
				<b>RECRUITING SUPPORT</b>			
				NFA002	Employer Support	37,919.56	
				LBW005	Recruiting Support	21,000.31	
					<b>Sub Total</b>		<b>58,919.87</b>
				<b>RESERVE AND CADET SUPPORT</b>			
				QCA002	CRFCA Payment	0.00	
				QCA004	Payments to Welfare Assoc	77,260.07	
				PDA002	ACF Operating Costs	364,149.30	
				NKA002	AR Band Operating Costs	46,528.22	
				QEB025	RAuxAF Admin & PR	4,721.17	
					<b>Sub Total</b>		<b>492,658.76</b>
				<b>ADMINISTRATION</b>			
				NKA001	Office/General Administration	33,039.14	
				NGB002	Education/Training	5,551.00	
				NPB001	Professional Fees	10,460.00	
				NPA001	Legal Costs	15,000.00	
				NQA001	Insurance	0.00	
				PDD003	Travel & Subsistence	67,709.38	
				NJA001	Entertainment	0.00	
					<b>Sub Total</b>		<b>131,759.52</b>
				<b>HR SUPPORT</b>			
				LKA011	HR & Recruiting - Civilian Assoc Staff	5,300.91	
					<b>Sub Total</b>		<b>5,300.91</b>
	<b>TOTAL INCOME</b>		<b>12,000,735.55</b>		<b>TOTAL EXPENDITURE</b>		<b>11,179,296.94</b>
	<b>DIFFERENCE</b>		<b>821,438.61</b>				<b>0.00</b>

**HIGHLAND RFCA BALANCE SHEET 2023/24**

<b>FIXED ASSETS</b>	<b>£</b>	<b>£</b>
Investments	0.00	
		<b>0.00</b>

**NON-CURRENT ASSETS**

Vehicles (BFN081)	1,963,852.69	
Accumulated Depreciation (BTD001)	-945,939.66	
		<b>1,017,913.03</b>

**CURRENT ASSETS**

Current Account	6,296,573.88	
Deposit Account	0.00	
Petty Cash	148.82	
Sundry Debtors	387,266.62	
Amounts Paid In Advance	111,297.97	
Due From Ministry of Defence	0.00	
		<b>6,795,287.29</b>

**CURRENT LIABILITIES**

Sundry Creditors	14,950.15	
Contras	0.00	
CIS Tax	0.00	
Accruals/Deferred Payments	231,856.96	
Advance Receipts	1,794,244.56	
Due to Ministry of Defence	0.00	
		<b>2,041,051.67</b>

<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,772,148.65</b>
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**FINANCED BY**

Capital Reserves Brought Forward	714,862.40	
General Reserves Brought Forward	4,235,847.64	
Excess Income/Expenditure	821,438.61	
Suspense	0.00	
		<b>5,772,148.65</b>





February 2024 – Cadets from 1st Battalion 'The Highlanders' Stornoway Detachment visited HM Coastguard's Bristol Helicopters Search & Rescue base. Bristol Helicopters is an Armed Forces Covenant signatory and ERS Silver Award holder.



March 2024 – NHS Orkney was presented with the Defence Employer Recognition Scheme (ERS) Gold Award revalidation. HRFCA Regional Employer Engagement Director Roy McLellan and NHS Orkney Chief Executive Laura Skaike-Knight are pictured holding the Gold Award with (from left) NHS Orkney staff and Armed Forces Veterans: Jill Huckvale (ex-Royal Navy), Ali Sabiston (ex-Army), Gordon Wark (ex-Army), Tony Miller (ex-Army), and Murray Stead (ex-Army).



November 2023 – Cadets supported the Poppy Campaign in Dunfermline.

## CONCLUSION

**A**s I reported at the start of my report, the Board has taken the difficult decision to reduce the number of Area Committees from three to two.



Capt Chris Smith

In so doing the Area Chair role on the Executive Board of Captain Chris Smith RN, along with the roles of his Vice Chair and Representative Member, have been disbanded and I would like to record my thanks to Chris and his team for the valiant efforts they made to keep the Area Committee functioning.



Col Gordon Rae

With my selection to be the Association Chair I am delighted to welcome Squadron Leader Janet Logan as the new Vice Chair Air on the Executive Board. And I extend a warm welcome to Colonel Mike Anderson ACF on taking over as Vice Chair Cadets in the place of Colonel Gordon Rae ACF, who has moved to

Edinburgh to take up a new day job there. Finally, on behalf of the Board and the membership, I would like to thank our Chief Executive Brigadier Mark Dodson MBE DL and his team for their steadfast work over the past year. They have faced numerous, often novel, challenges that they have risen to splendidly and continued to deliver our outputs in some of the most testing circumstances that I have known.

Wing Commander Dr David Caddick MBE  
JP PhD RAuxAF  
Chair HRFCA



Sqn Ldr Janet Logan



Col Mike Anderson

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and Cadets' Association**  
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