

HAIG HOUSING TRUST

England & Wales · Charity number 1125556

Details

Status	Registered
Legal form	Charitable company
Company number	06593129
Registered	2008-08-18
Register	View on the Charity Commission register

Contact

Address	Mountbarrow House 12 Elizabeth Street London SW1W 9RB
Phone	02086855777
Email	enquiries@haighousing.org.uk
Website	www.haighousing.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE: (A) TO RELIEVE NEED, FINANCIAL HARDSHIP, SICKNESS, DISABILITY, THE EFFECTS OF WOUNDS, OLD AGE OR OTHER LIKE CONDITION BY THE PROVISION OF, OR ASSISTANCE WITH, HOUSING FOR THE FOLLOWING PERSONS IN ORDER OF PRIORITY: (I) MEMBERS AND FORMER MEMBERS OF ALL RANKS AND RATINGS OF THE ARMED FORCES OF THE CROWN, WHETHER REGULAR OR RESERVE, AND THEIR SPOUSES, WIDOWS OR WIDOWERS; (II) FORMER OR SEPARATED SPOUSES OF MEMBERS OR FORMER MEMBERS OF THE ARMED FORCES OR THE CROWN, WHETHER REGULAR OR RESERVE, WHO HAVE DEPENDENT CHILDREN LIVING WITH THEM; (III) SUCH PERSONS IN 3(A)(II) ABOVE WITHOUT DEPENDENT CHILDREN. (B) SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF BENEFICIARIES OF THE CHARITY AS THE TRUSTEES DECIDE.

Activities: To relieve need, financial hardship, sickness, disability, the effects of wounds, old age, or other like condition by the provision of assistance with housing for members or former members of the Armed Forces of the Crown, and their dependants

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Accommodation/housing, Armed Forces/emergency Service Efficiency
- **Who:** People With Disabilities, Other Defined Groups

Geography

- Jersey
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,484,000	£21,405,000	£78,364,000	60
2024-03-31	£14,535,000	£20,161,000	£83,035,000	59
2023-03-31	£12,044,000	£13,706,000	£88,330,000	56
2022-03-31	£11,139,000	£11,905,000	£90,277,000	49
2021-03-31	£26,837,000	£10,273,000	£90,917,000	46

Trustees

Name	Role	Appointed
Andrew Bruce Weir		2017-09-27
Craig Thomson-Smith		2023-03-22
Dr Mark James Stewart Weir		2017-09-27
JOHN BARTLETT		2025-03-18
Julian Peter Colborne-Baber		2020-09-24
Karen Connell		2022-03-17
Luise Locke		2017-09-27
Paul Robert Bates		2025-02-04
Rachel Janes Scandling		2025-09-24
Sarah Sanches Fernandes		2020-06-24
Thomas Quaye		2024-09-25

Linked charities

- CLEVEDON MEMORIAL HOMES (1125556-1)
- MITCHELL FLATS (1125556-2)
- DISABLED OFFICERS GARDEN HOMES (1125556-3)

Accounts

Registered number: 06593129
Charity numbers: 1125556 & SC040058

HAIG HOUSING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees

Mr J.H. Bartlett (Chair of Trustees) (Appointed 18 March 2025)
Ms L M S Locke (Vice Chair of Trustees)
Mr D G Williams
Mr J.P. Colborne-Baber
Mr S M Elliott (Resigned 25 September 2024)
Mrs S S Fernandes
Mr A B Weir
Dr M J S Weir
Mr N G White
Mrs N McWhinney
Mrs K Connell
Mr M Carter (Resigned 5 February 2025)
Mr C Thomson-Smith
Mr T Quaye (Appointed 25 September 2024)
Mr P R Bates (Appointed 4 February 2025)

Company registered number 06593129

Charity registered numbers 1125556 (England and Wales) and SC040058 (Scotland)

Registered office

Mountbarrow House
12 Elizabeth Street
London
SW1W 9RB

Company secretary Michael Robb

Chief executive officer Tim Stockings

Independent auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

Barclays Bank Plc
50 Pall Mall
London SW1A 1QF

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London EC1Y 8YZ

Senior Leadership Team (SLT)

Tim Stockings (Chief Executive)
Michael Robb
William Lindsay
Amanda Deakin
Irfan Chaudhry

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report and the financial statements of the company for the year ended 31 March 2025

CHAIRMAN'S STATEMENT

This is my first statement as Chair of Haig Housing Trust; I am very proud to have been appointed to this position in 2025 and I pay tribute to my predecessor, David Williams, who worked tirelessly for our beneficiaries and the wider Veterans' community. We are in a much better position for his effort and we thank him on behalf of everyone associated with Haig Housing.

Whilst there are many challenges ahead, I am confident that we have the team at Haig Housing who will deliver excellent outcomes for our beneficiaries. You will read here about some of the work we have done, as well as an outline of our future plans. In the year ahead we will review and update our strategy to make sure that we address the significant ongoing changes in the housing sector, many of which have been prompted by the change of government in 2024. We welcome the increased focus on housing by senior policy makers and hope that we can benefit from the additional funding that has been signalled.

We are proud of the homes that we provide today to more than 4,000 tenant beneficiaries; but we are very aware that currently we cannot meet the increasing demand for veterans' housing. We have ambitious plans to improve our reach and impact but even that may not be enough; recognising that challenge we will work collaboratively with our partners and grow our delivery networks. Housing needs are critical for everyone and challenges occur at all stages of life; so we endeavour to stand ready to help veterans of all ages and backgrounds across the UK.

I especially want to thank our hardworking and dedicated colleagues who deliver our services. They work tirelessly for the benefit of others and without them our veterans would not be able to access the support they need. To give them the resources to do even more we are growing our fundraising efforts to build and diversify our income.

We are delighted that HRH the Princess Royal has consented to be our new Royal Patron, succeeding Her Majesty Queen Elizabeth II. We express our sincere thanks to the Princess Royal for the support she is providing to us.

Haig Housing Trust's Royal connections date back to our foundation in 1918, with support then from HRH the Prince of Wales. We are now looking ahead to our Centenary in 2028, when we aim to celebrate the past and secure the future for the Trust and its work to support the UK Veteran community.

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Charitable Objects and Governing Document

The Charity is governed by its 2019 Memorandum and Articles of Association (MAoA), which outline its objects:

- a. To relieve need, financial hardship, sickness, disability, the effects of wounds, old age or other like condition by the provision of, or assistance with, housing for the following persons in order of priority:
 - I. Members and former members of all ranks and ratings of the Armed Forces of the Crown, whether Regular or Reserve, and their spouses, widows or widowers.
 - II. Former or separated spouses of members or former members of the Armed Forces of the Crown, whether Regular or Reserve, who have dependent children living with them.
 - III. Such persons in a. (ii) above without dependent children.
- b. Such charitable purposes for the benefit of beneficiaries of the Charity as the Trustees decide.

Public Benefit

The Trustees confirm that the Charity's activities in support of its MAoA are delivered effectively, complying with the Charities Act and Charity Commission's guidance.

Governance

The Board comprises thirteen independent non-executive trustees, who bring a wealth of experience to the charity and are legally responsible for the overall management and control of The Trust. They receive no remuneration for their role and any interests or related party relationships are disclosed in the Register of Interests. All Trustees sign and adhere to Haig's Trustee Code of Conduct.

New trustees undertake an induction programme and the Board is kept up to date with developments through regular briefings and training. A strategy awayday is held once a year, as well as regular visits to estates. The Board assess its performance annually, mindful of the guidance issued by the Charity Commission, and sector bodies.

Trustees met formally every quarter, delegating specific issues to three sub-committees that report to the full Board: Estates, Finance & Risk (FRC) and People. Oversight of the Trust's properties in Scotland is by a local committee, consisting of volunteer members and a beneficiary tenant that met three times. Additionally, there was a Management Committee comprising the executive team and beneficiaries. The Trust intended to move towards tenant representation on the Board but that has taken longer than envisaged. Future plans are being reviewed.

There are three linked charities with similar objects: Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes. The Trust also holds all allotted shares in a dormant limited trading company: Haig Housing Trading Limited, see note 24 to the financial statements.

Remuneration

The remuneration policy was agreed by Board in March 2025. People Committee reviews reward and recognition regularly, including salary levels and pay awards, making recommendations for Board approval.

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REVIEW OF ACTIVITIES

We deliver impact and public benefit by housing veterans and their families, of all ages and backgrounds in mixed communities across the UK. We are accelerating our efforts to improve beneficiary service, principally by spending more money maintaining and modernising our homes. We aim to foster communities in the areas we operate, with most of our estates being made up of a small number of low-density family houses with good communal spaces and private gardens. Charging a charitable rent usually well below market value, we provide additional support in the form of housing managers and income teams, that allow our beneficiaries to live fulfilling lives.

We are working to our 2021 strategy that laid out priorities for five years. Given the rapid changes in the housing sector we will review that work next year. Our Purpose remains:

Providing quality homes to improve the lives of veterans and their families in need

Supported by our Strategic Objectives that drive operational delivery:

Beneficiary focus
Quality service
Sustainable homes

We recognise that we cannot work in isolation nor do we have the resources to satisfy every request. We aim to 'meet need, not want'. In an increasingly complex sector, we have grown our collaborative working with partners to deliver impact for our beneficiaries. We aim to avoid duplication by signposting those who need more help to specialist providers. We have built strong links to other veterans' charities

As the largest provider of Veterans' housing, we try to act as a unifying voice for our wider stakeholders, working with partners to shape Veterans' housing policy in conjunction with the Confederation of Service Charities (Cobseo) and Office for Veterans' Affairs. With a new government in place, we have achieved considerable success in building links with policymakers.

There is a strategic shift in the political landscape, as the new government seeks to drive better housing across the UK sector. This renewed focus on the sector is good, catalysing as it does discussion and action on measures that are long overdue. Our activity has combined internal work to upskill staff, modernise systems and streamline processes to drive better beneficiary service; with outward facing effort to grow partnerships. The pressures mentioned in previous reports continue, with continuing significant cost challenges. We have refocused efforts as a result.

We were delighted this year to be awarded Bronze level of the Defence Employers Recognition Scheme (DERS) following our signing of the Armed Forces Covenant in March 2024. We were also pleased to gain the Pride in Veterans Standard (PIVS), an important step on our journey of building diversity. Our sustainability efforts were recognised at the National Energy Efficiency Awards and in December AI Carns, the new Minister for Veterans and People visited Morden.

Our People

We continue to invest in our team, upskilling them as part of our programme of continual improvement. The new appraisal system is bedding in; we will make some adjustments next year to simplify it based on staff feedback. It has promoted better engagement and helped us on our journey of cultural change. We hold regular staff briefing days, military orientation visits and briefings by partner organisations to help us grow our understanding of the Armed Forces community. We have updated systems and adjusted team responsibilities to ensure we remain focused on our strategic objectives and operational delivery.

Beneficiary focus

We have stepped up our engagement with tenants, including surveys & focus groups, resident meetings in Morden, regular e-newsletters, a printed magazine, website bulletins and volunteer days. We signpost tenants to key information, including links to veterans partners and charities who can help with specialist knowledge. We have also rolled out Switcher smart thermostats, which have a valuable messaging function.

Our surveyors and housing managers spend most of their time visiting and dealing directly with our beneficiaries. We conduct in-person Annual Tenancy Reviews, meeting over 95% of our tenants in their homes.

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Additionally, our programme of executive and Board estate visits have included Hackney, Kings Lynn, Norwich, Liverpool, Warrington, Cardiff, Edinburgh, Glasgow and Hamilton.

We continue to promote our Community Fund for resident-led projects that improve their neighbourhood. We take great pride in our veterans' service and hold annual Remembrance Day events, providing wreaths for residents to lay on behalf of their estates.

Quality Service

Our visits allow us to meet those whom we help and provide immediate feedback on our successes, as well as where we need to improve. Whilst the majority of our tenants are happy, we know we need to continue to improve and so are investing to ensure we can provide better beneficiary service. Our revised complaints handling process helps support us in putting things right when they go wrong and is a key driver of cultural change.

As well as upskilling staff, using technology and modernising systems, we have also adjusted team responsibilities and recruited experienced staff to fill gaps. With a clear focus on improving service for our beneficiaries, we will continue this process bringing skills that we currently lack in house.

Sustainable Homes

We have delivered upgrades to over 500 homes, ranging from insulation, new doors, windows and roofs to solar panels and other carbon-reducing measures. Residents continue to comment favourably on the improved habitability such changes bring, as well as the marked reduction in energy costs.

In light of the considerable changes in legislation and regulations that are in the pipeline, as well as costs and suitability of current schemes, we have decided to refocus funds to core modernisation and planned works, to ensure that we can match future expectations and maintain stock compliance.

STRATEGIC OUTLOOK

The change of government has brought a radically different agenda into social housing and catalysed much change. We support the renewed focus on investment and putting right decades of under investment. Some of the changes include profound implications for the sector and will increase operational costs. We are confident that we can rise to the challenge and have adjusted our planned programmes to ensure we have the funds in the short term to respond to new regulations. Having delivered most of our Phase 2.1 Social Housing Decarbonisation Fund (SHDF) project we have scaled back further work to ensure we have funds to reach revised compliance regulations that are being discussed by government. We work with sector representatives and colleagues in our peer group to understand how we can best respond.

Future Plans

We will continue to invest in the fabric of our properties, our staff and systems to deliver better beneficiary service. We want to grow our impact, by:

- Responding to the needs of our beneficiaries
- Growing our estate so we can house more veterans
- Disposing of those properties that no longer suit our purpose
- Modernising those homes we own
- Reducing the cost of ownership
- Improving service delivery whilst driving down costs
- Working with partners and growing our networks
- Growing and diversifying our income streams
- Achieving regulatory compliance and long-term financial stability
- Active participation in the housing, charitable and veterans' sector

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Fundraising and Investments

Rental income has historically provided the main source of funds for the Trust but we have made a start on growing our fundraising to generate additional funds for modernisation and development. As part of this change we ran a '12 Days of Gratitude' Christmas social media campaign featuring videoed beneficiary testimonials for the first time to raise awareness of Haig, the work we do and veterans housing in general.

We aim to raise our fundraising efforts next year, in order to grow and diversify our income as well as raise the awareness of the Haig Housing Trust to enable us to grow our impact.

We do not employ a professional fundraiser and all activities are overseen by the CE. We are registered with the Fundraising Regulator, adhere to the Fundraising Code, GDPR, and do not share data for the purposes of fundraising. The Trust received no complaints in relation to fundraising activities during the year.

Aside from money to satisfy cashflow and liquidity needs, other funds are invested and managed by our professional advisors, Investec, in line with the Board's guidance and risk appetite. Money is invested principally in investment grade fixed interest securities, 'blue chip' equities and collective funds. The Finance and Risk Committee reviews investment performance quarterly.

Financial Review and Results

The plan to use resources to improve the condition of our estates resulted in a deficit of £4.7M. Cash reserves will continue to be used to fund the upgrade and maintenance programme.

Total income increased to £16.5M (2024 £14.5M) Rents increased by an average of 7% and £1.3M of grant income was received, mainly from SHDF (2024 £1.3M)

Total resources expended were £21.5M (2024 £20.2M). Key items were direct property costs, including repairs £15.6M (2024 £14.1M); staff £3.2M (2024 £3.0M); support £1.2M (2024 £1.5M) and depreciation £1.4M (2024 £1.4M). Total net assets were £78.3M (2024 £83.0M).

The Trust holds £13.9M (2024 £14.3M) of investment funds with Investec, who manage them on a discretionary basis in accordance with the Investment Policy. The Finance and Risk Committee reviews investment performance quarterly.

Cash at bank was £4.7M (2024 £8.3M), most of which arose from the sale of a large property. Most of the money held in cash and investments as well as the proceeds of future sales is designated for three main uses: planned improvements to existing housing stock, sustainability projects and property acquisition,

Reserves

Sufficient operating reserves are held to enable the Trust to operate and meet its charitable objects. The amount held is regularly reviewed, with a minimum of three to four months operating expenditure held in cash or other liquid securities that can be realised within 60 days. At 31 March 25 reserves of £8.7M (2024 £8.3M) were held, equating to 6 months of cash operating expenses with sufficient unrestricted funds to cover distribution of these reserves.

Risk Management

Trustees oversee risk management; the FRC reviews the risk register quarterly and reports to Board, who assess top risks quarterly and policy, performance, appetite and the entire risk register annually. Day to day management is delegated to the executive with additional assurance provided by internal audit. In doing so, the Trustees have considered the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks in accordance with the Charities (Accounts and Reports) Regulations 2008, as well as Commission guidance contained in CC 26.

The risk policy, reviewed annually, lays out the process for identifying, assessing likelihood and impact, managing and reporting risk, as well as the Trustees' risk appetite. Departments hold individual risk registers to enable effective management, as well as identification of those risks that are most significant; those risks are amalgamated into the top risk register, reinforcing the link between operational and strategic objectives.

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Principal Risks

The principal risks arising from operations include:

- Funding capital investment to develop and modernise the estate
- The cost of achieving sustainable homes at a decent standard
- Delivering high quality beneficiary service that meets increasing expectation
- Contractor performance undermining reputation and satisfaction
- An incident that impacts on our reputation
- Regulatory, legal and compliance requirements
- The ability to recruit and retain talented staff

Our move to increased fundraising, as well as building partnerships and networks to diversify and grow income address the first two risks. We have invested in training and systems, as well as revised our policies as part of our cultural journey to deliver better beneficiary service. We have changed our processes and team structure to improve the monitoring of contractor performance. Taken as a whole, these measures also address the compliance requirements, as well as mitigating the impact of an incident.

We value our colleagues and the work they do daily for our beneficiaries. We encourage a positive, motivating culture at work and spend time investing in our people – they deliver for us. Our resources are limited but we believe we strike a fair balance in our approach to reward and recognition. We hope that working for Haig is fulfilling for staff and the communities we serve.

Going Concern

The Trust has a robust business model, which has survived recent challenges and its financial strength is underpinned by the value of its property portfolio. The five-year business plan aims to upgrade properties using cash reserves whilst breaking even on day-to-day activities. The Trust is confident that plan will be substantially achieved, with potential to extract further value from non-core elements of the property portfolio if necessary.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

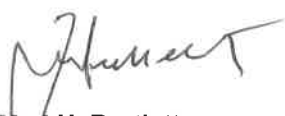
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the auditor

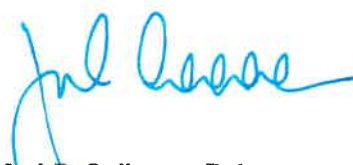
Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor.

So far as each of the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and each of the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the trustees in their capacity as company directors on 24 September 2025 and signed on their behalf by:



Mr J.H. Bartlett
Chair of Trustees



Mr J.P. Colborne-Baber
Trustee

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinion

We have audited the financial statements of Haig Housing Trust ('the charitable company') for the year ended 31 March 2025 which comprise of the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2025 and of 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 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 the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005], together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of repairs and maintenance expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Companies House, OSCR and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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 and 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.



Vincent Marke
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 25 September 2025

HAIG HOUSING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Income from:						
Donations and legacies	4	-	-	23	23	8
Charitable activities	5	-	271	12,130	12,401	11,566
Grants				1,270	1,270	1,313
Profit on sale of assets		-	-	2,410	2,410	881
Investments		-	10	361	371	754
Other income		-	-	9	9	13
Total income and endowments		<u>-</u>	<u>281</u>	<u>16,203</u>	<u>16,484</u>	<u>14,535</u>
Expenditure on:						
Raising funds		-	-	118	118	92
Charitable activities	6	14	346	20,927	21,287	20,069
Total expenditure		<u>14</u>	<u>346</u>	<u>21,045</u>	<u>21,405</u>	<u>20,161</u>
Net gains/(losses) on investments		-	(6)	269	263	382
Net income before other recognised gains		<u>(14)</u>	<u>(71)</u>	<u>(4,573)</u>	<u>(4,658)</u>	<u>(5,244)</u>
Actuarial (losses) on defined benefit pension schemes		-	-	(13)	(13)	(51)
Net movement in funds		<u>(14)</u>	<u>(71)</u>	<u>(4,586)</u>	<u>(4,671)</u>	<u>(5,295)</u>
Reconciliation of funds:						
Total funds brought forward		525	19,732	62,778	83,035	88,330
Net movement in funds		(14)	(71)	(4,586)	(4,671)	(5,295)
Total funds carried forward		<u>511</u>	<u>19,661</u>	<u>58,192</u>	<u>78,364</u>	<u>83,035</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 30 form part of these financial statements.

HAIG HOUSING TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	11	63,246	64,614
Investments	12	13,911	14,292
		<u>77,157</u>	<u>78,906</u>
Current assets			
Debtors	13	1,759	1,302
Cash at bank and in hand		4,651	8,329
		<u>6,410</u>	<u>9,631</u>
Creditors: due within one year	14	(4,903)	(5,143)
Net current assets		<u>1,507</u>	<u>4,488</u>
Total assets less current liabilities		<u>78,664</u>	<u>83,394</u>
Defined benefit pension scheme liability	21	(300)	(359)
Total net assets		<u><u>78,364</u></u>	<u><u>83,035</u></u>
Charity funds			
Endowment funds	15	511	525
Restricted funds	15	19,661	19,732
Unrestricted funds	15	58,192	62,778
Total funds		<u><u>78,364</u></u>	<u><u>83,035</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr J.H. Bartlett
Chair of Trustees
Date: 24 September 2025


Mr J.P. Colborne-Baber
Trustee

HAIG HOUSING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash used in operating activities	17	(7,020)	(2,996)
Cash flows from investing activities			
Interest and dividends received		371	633
Proceeds from the sale of tangible fixed assets		2,629	1,277
Proceeds from the sale of investments		5,118	-
Purchase of investments		(4,520)	(10,001)
Purchase of tangible fixed assets		(238)	(581)
Net cash provided by investing activities		3,360	(8,672)
Cash flows from financing activities			
Repayments of borrowing		-	(561)
Interest payable		(18)	(54)
Net cash used in financing activities		(18)	(615)
Change in cash and cash equivalents in the year		(3,678)	(12,283)
Cash and cash equivalents at the beginning of the year		8,329	20,612
Cash and cash equivalents at the end of the year	18	<u>4,651</u>	<u>8,329</u>

The notes on the following pages form part of these financial statements.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

1. General information

Haig Housing Trust is a private company limited by guarantee (registered number 06593129) which is incorporated and domiciled in the UK and meets the definition of a public benefit entity under FRS102. The address of the registered office is Mountbarrow House, 12 Elizabeth Street, London, SW1W 9RB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2.2 Going concern

The Trust has a robust business model, the durability of which has been confirmed during the last two years, despite challenges faced in its operating environment. The financial strength of the Trust is also confirmed by the long term value of its substantial property portfolio.

The Trust has continued to maintain its substantial cash balances. The Trust's five year forecasts indicate that it will continue to maintain a positive cash balance over this period, despite plans to considerably increase expenditure on its property portfolio. The Trustees and Directors are confident that this forecasted five year cash performance will be substantially achieved, and they are aware of the potential to extract further value from non-core elements of the property portfolio if necessary. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

2.3 Income

Income from rental and service charges is recognised in the financial statements in the period to which the rent or service charge relates and entitlement is earned. Investment income is accounted for on an accruals basis.

Donations received are accounted for through the income and expenditure account on a receipts basis. Donated properties are included at their open market value or their existing use value at the date of the donation.

Legacies are recognised in the financial statements only upon the granting of probate provided there is probability of legal entitlement and a reliable estimate can be obtained on notifications received before the year end. Non-performance related grants are accounted for as received.

2.4 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered. Support costs comprise of administration costs and are allocated to the various cost categories on the basis of an estimate of staff time attributable to each activity. Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses and external audit fees.

2.5 Housing Properties

Depreciation is charged to write down the value of freehold housing properties to their estimated residual value on a straight line basis over their remaining expected useful economic lives. No housing properties are shown at a value exceeding their estimated recoverable amount. Impairment losses recognised are shown under operating costs.

Freehold land is not depreciated. Freehold properties are depreciated over 50 – 70 years depending on the property. Leasehold properties are depreciated over the shorter of the term of the lease or their estimated useful life.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Other Fixed Assets

Assets costing more than £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic life of the assets at the following rates:

Freehold offices	- 2%	50 years
Motor vehicles	- 33%	3 years
Office equipment	- 33%	3 years

2.6 Investments

Investments are stated at market value at the balance sheet date. Gains are calculated based on the movement in market value during the period. The investments in the subsidiary undertakings are stated at deemed cost less impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Financial instruments

Haig Housing Trust 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 amortised cost using the effective interest method.

Financial assets held at cost comprise cash at bank and in hand, together with trade and other debtors (excludes prepayments). Financial liabilities held at cost comprise bank loans and overdrafts, trade and other creditors (excludes rent in advance).

Investments, held as part of an investment portfolio, are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. The value of these assets at 31 March 2025 was £13,911,000 (2024: £14,292,000).

2.11 Pensions

Haig Housing Trust participates in a defined benefit pension scheme (The Pensions Trust Social Housing Pension Scheme) and a defined contribution scheme. Costs in connection with both pension schemes are charged to the Statement of Financial Activities as contributions fall due.

2.12 Fund accounting

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity

Endowment funds

These are restricted funds which must be retained as trust capital, subject to a discretionary power to use this capital for specific purposes.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Designated funds

These funds have been designated by the trustees for specific purposes. The largest designated fund represents amounts invested in fixed assets for use by the charity.

General fund

The funds are available at any time for the use at the discretion of Trustees for furtherance of the charity's activities and objectives.

3. Critical accounting estimates and areas of judgment

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The areas where judgments and estimates have been made include:

Pensions

The SHPS pension liability is based on the SHPS valuation as at 31 March 2025 and full details of this liability and the underlying assumptions are disclosed in note 21.

Useful economic life of assets

The estimation of the useful economic life of the properties within the portfolio means that depreciation is a judgment.

Impairment

Impairment of the properties is considered annually. In making the judgement management consider the condition and current use of the property. During the year a £22,000 (2024: £116,000) impairment charge was made against the Charity's former office premises in Morden as disclosed in note 11. There were no other impairments in the current or prior year.

4. Income from donations and legacies

	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Donations	5	5	8
Legacies	18	18	-
	<u>23</u>	<u>23</u>	<u>8</u>

5. Income from charitable activities

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Provision of housing to beneficiaries	<u>271</u>	<u>12,130</u>	<u>12,401</u>	<u>11,566</u>

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

6. Analysis of expenditure on charitable activities

Summary by fund type

	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Provision of housing to beneficiaries	14	346	20,927	<u>21,287</u>

7. Analysis of expenditure by activities

	2025 £000	2024 £000
Staff costs	3,240	2,992
Property repair, serving and management	15,572	14,147
Interest payable	18	54
Bad debt expense	16	54
Return of grant to Help for Heroes and donations paid	-	75
Building depreciation	1,277	1,277
Support Costs	1,164	1,470
	<u>21,287</u>	<u>20,069</u>

Support costs as above include consultancy fees of £27,000, legal and professional fees of £71,000, information technology costs of £229,000, ancillary staff costs of £170,000, telephone expenses of £83,000, depreciation and office impairment of £111,000 and other costs of £473,000.

In prior years Help for Heroes has contributed grants towards purchase of properties. These grants are returned to Help for Heroes in the event a property bought using a Help for Heroes grant is sold. The net balance of Help for Heroes grants used to purchase properties as at 31st March 2025 was £1.5M (2024 £1.5M). No properties bought using a Help for Heroes grant are currently planned for disposal.

8. Auditor's remuneration

	2025 £000	2024 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	34	33
Fees payable to the Charity's auditor in respect of: All non audit services not included above	<u>-</u>	<u>-</u>

HAIG HOUSING TRUST
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Notes to the financial statements

9. Staff costs

	2025 £000	<i>2024</i> <i>£000</i>
Wages and salaries	2,813	2,589
Social security costs	281	270
Contribution to defined contribution pension schemes	202	184
	<u>3,296</u>	<u>3,043</u>

The average number of persons employed by the Charity during the year was as follows:

	2025 No.	<i>2024</i> <i>No.</i>
Provision of housing	48	47
Support costs	12	12
	<u>60</u>	<u>59</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	<i>2024</i> <i>No.</i>
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-

Several senior staff left the organisation over the year, which affects the above figures.

Employer's pension contributions of £52,954 (2024 42,773) were paid in respect of these higher paid employees. The total employee benefits of 5 key management personnel of the charity were £569,527 (2024: 5 key management personnel received £504,461).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024: £nil).

During the year ended 31 March 2025, expenses of £2k were reimbursed or paid directly to Trustees (2024: £1k)

HAIG HOUSING TRUST
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Notes to the financial statements

11. Tangible fixed assets

	Housing properties £000	Work in progress £000	Freehold office £000	Office equipment £000	Total £000
Cost or valuation					
At 1 April 2024	82,243	-	307	298	82,848
Additions	-	210	-	27	237
Disposals	(258)	-	-	-	(258)
At 31 March 2025	81,985	210	307	325	82,827
Depreciation					
At 1 April 2024	17,805	-	278	151	18,234
Charge for the year	1,277	-	6	83	1,366
On disposals	(41)	-	-	-	(41)
Office impairment	-	-	22	-	22
At 31 March 2025	19,041	-	306	234	19,581
Net book value					
At 31 March 2025	<u>62,944</u>	<u>210</u>	<u>1</u>	<u>91</u>	<u>63,246</u>
At 31 March 2024	<u>64,438</u>	<u>-</u>	<u>29</u>	<u>147</u>	<u>64,614</u>

12. Investments

	2025 £000	2024 £000
Market Value at 1 April	14,292	3,818
Additions	4,720	10,118
Disposals	(5,364)	(26)
Gain / (losses) on investments	263	382
Market value at 31 March	<u>13,911</u>	<u>14,292</u>
<i>Historic Cost</i>	<u>13,239</u>	<u>13,239</u>

Investments comprise £13.9m under management with Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

13. Debtors

	2025	2024
	£000	£000
Rent debtors	277	383
Prepayments	229	390
Accrued income and other debtors	1,253	529
	<u>1,759</u>	<u>1,302</u>

14. Creditors: Amounts falling due within one year

	2025	2024
	£000	£000
Trade creditors	1,166	1,755
Other creditors	153	205
Accruals and deferred income	3,584	3,183
	<u>4,903</u>	<u>5,143</u>

The above includes £131k (2024: £317k) of deferred income which relates to rental income received in advance, the amount bought forward was recognised fully within the year.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

15. Statement of funds – current year

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers/ Gains/ (Losses) £000	Balance at 31 March 2025 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	44,785	-	(1,317)	(65)	43,403
Leasehold liability fund	117	-	-	-	117
Sustainability projects fund	7,000		(2,695)	(2,000)	2,305
Property acquisition fund	1,000			-	1,000
Planned improvements fund	3,000			2,000	5,000
Community chest reserve	72			-	72
Pension reserve	(359)	-	72	(13)	(300)
	<u>55,615</u>	<u>-</u>	<u>(3,940)</u>	<u>(78)</u>	<u>51,597</u>
General funds					
General Funds - all funds	7,163	16,203	(17,105)	334	6,595
Total Unrestricted funds	<u>62,778</u>	<u>16,203</u>	<u>(21,045)</u>	<u>256</u>	<u>58,192</u>
Endowment funds					
Permanent Endowment	<u>525</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>511</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,679	135	(108)	-	2,706
Disabled Officer Garden					
Homes	56	136	(234)	-	(42)
Help for Heroes (coming home)	1,560	-	-	-	1,560
Other	104	-	-	-	104
Mrs Willie James Fund	303	10	(4)	(6)	303
	<u>19,732</u>	<u>281</u>	<u>(346)</u>	<u>(6)</u>	<u>19,661</u>
Total of funds	<u>83,035</u>	<u>16,484</u>	<u>(21,405)</u>	<u>250</u>	<u>78,364</u>

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Statement of funds –prior year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers/ Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	45,881	-	(1,330)	234	44,785
Leasehold liability fund	117	-	-	-	117
Sustainability projects fund	7,000	-	-	-	7,000
Property acquisition fund	1,000	-	-	-	1,000
Planned improvements fund	3,000	-	-	-	3,000
Community chest reserve	72	-	-	-	72
Pension reserve	(374)	-	66	(51)	(359)
	<u>56,696</u>	-	<u>(1,264)</u>	<u>183</u>	<u>55,615</u>
General funds					
General Funds - all funds	11,189	14,274	(18,450)	150	7,163
Total Unrestricted funds	<u>67,885</u>	<u>14,274</u>	<u>(19,714)</u>	<u>333</u>	<u>62,778</u>
Endowment funds					
Permanent Endowment	<u>539</u>	-	(14)	-	<u>525</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,770	129	(220)	-	2,679
Disabled Officer Garden Homes	61	128	(133)	-	56
Help for Heroes (coming home)	1,635	-	(75)	-	1,560
Other	104	-	-	-	104
Mrs Willie James Fund	306	4	(5)	(2)	303
	<u>19,906</u>	<u>261</u>	<u>(433)</u>	<u>(2)</u>	<u>19,732</u>
Total of funds	<u>88,330</u>	<u>14,535</u>	<u>(20,161)</u>	<u>331</u>	<u>83,035</u>

Permanent Endowment

Relates to properties originally gifted to Disabled Officer Garden Homes.

Restricted Funds / Reserves

Veterans Accommodation Fund

This fund was created with monies from the Ministry of Defence and is to be used to develop /purchase properties in Morden, Scotland, Aldershot and Colchester. At 31 March 2025 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

Colchester Borough Council Fund

This restricted fund was created with monies from Colchester Borough Council to provide affordable homes for ex-service men and women.

Disabled Soldier and Sailors (Hackney) Foundation (DSSHF)

This restricted fund was created on the gift of the assets and liabilities of the above charity to Haig Housing Trust. Further details are included in note 24.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Disabled Officer Garden Homes

This fund (along with the permanent endowment fund) represents funds in respect of Disabled Officer Garden Homes administered by Haig Housing Trust. Further details are included in Note 24.

Help for Heroes (Coming Home)

These funds comprise amounts donated to provide housing to injured service men and women.

Mrs Willie James Charity

Administered by Haig Housing Trust, the funds are used to support a variety of purposes for needy tenants.

Designated funds / reserves

Fixed asset fund

This represents the net book value of Tangible Fixed Assets held in unrestricted funds which are not available in the short term to fund the Trust's activities. Transfers represent net additions to fixed assets.

Leasehold liability fund

An accumulation fund created to retain funds for the renewal and extension of leases on short and medium term leasehold properties.

Sustainability projects fund

This fund was created to retain funds for planned sustainability improvements to the Trust's existing properties in line with the five-year estate improvement project.

Property acquisition fund

A fund created to provide for funds in anticipation of future property acquisitions in the coming five years.

Planned improvements fund

A fund created to provide funds for a range of planned improvements to the Trust's existing property portfolio in line with the five-year estate improvement project.

Pension reserve

This represents funds set aside for the potential future costs arising from the Trust's commitment to the Social Housing Pension Scheme.

Community Chest Reserve

This fund was created to hold individual donations in order to ensure that the amounts donated are subsequently spent on charitable purposes in dedication to these donors.

16 Analysis of net assets between funds – current period

	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	511	17,709	45,026	63,246
Fixed asset investments	-	298	13,613	13,911
Current assets	-	1,654	4,756	6,410
Creditors due within one year	-	-	(4,903)	(4,903)
Provisions for liabilities and charges	-	-	(300)	(300)
Total	511	19,661	58,192	78,364

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Analysis of net assets between funds - prior period

	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	525	17,709	46,380	64,614
Fixed asset investments	-	295	13,997	14,292
Current assets	-	1,728	7,903	9,631
Creditors due within one year	-	-	(5,143)	(5,143)
Provisions for liabilities and charges	-	-	(359)	(359)
Total	525	19,732	62,778	83,035

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

	2025 £000	2024 £000
Net income for the period (as per Statement of Financial Activities)	(4,921)	(5,626)
Adjustments for:		
Depreciation charges	1,366	1,380
Interest and dividends received	(371)	(634)
Profit on the sale of fixed assets	(2,410)	(881)
Movement in pension deficit liability	(72)	(66)
(Increase) / Decrease in debtors	(457)	(934)
Increase / (Decrease) in creditors	(173)	3,711
Interest payable	18	54
Net cash provided by operating activities	(7,020)	(2,996)

18. Analysis of cash and cash equivalents

	2025 £000	2024 £000
Cash in hand	4,651	8,329
Total cash and cash equivalents	4,651	8,329

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

19. Analysis of Net Debt

	At 1 April 2024 £000	Cash flows £000	At 31 March 2025 £000
Cash at bank and in hand	8,329	(3,678)	4,651
Debt due within 1 year	-	-	-
	<u>8,329</u>	<u>(3,678)</u>	<u>4,651</u>

20. Capital commitments

	2025 £000	2024 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

21. Pension commitments

Defined benefit scheme

The Trust participates in the Social Housing Pension Scheme (the scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with the documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. The valuation revealed a deficit of £693m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a "last-man standing arrangement". Therefore the Trust is potentially liable for other participating employers' obligations if these employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore the Trust accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it has been possible to obtain sufficient information to enable the Trust to account for the scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the Trust's fair share of the Schemes total assets to calculate the Trust's net deficit or surplus.

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Notes to the financial statements

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset

	2025 (£000s)	2024 (£000s)
Fair value of plan assets	1,649	1,682
Present value of defined benefit obligation	1949	2,041
Surplus (deficit) in plan	(300)	(359)
Defined benefit asset (liability) to be recognised	(300)	(359)

Reconciliation of opening and closing balances of the defined benefit obligation

	2025 (£000s)	2024 (£000s)
Defined benefit obligation at start of period	2,041	2,046
Interest and other expenses	99	101
Actuarial losses (gains) due to scheme experience	104	-
Actuarial losses (gains) due to changes in financial assumptions	(167)	11
Benefits paid and expenses	(128)	(117)
Defined benefit obligation at end of period	1949	2,041

Reconciliation of opening and closing balances of the fair value of plan assets

	2025 (£000s)	2024 (£000s)
Fair value of plan assets at start of period	1,682	1,672
Interest income	81	81
Losses / gains on plan assets	(76)	(40)
Employer contributions	90	86
Benefits paid and expenses	(128)	(117)
Fair value of plan assets at end of period	1,649	1,682

Reconciliation of opening and closing balances of the fair value of plan assets

Expenses	3	3
Net interest expense	15	17
Defined benefit costs recognised in Statement of Financial Activities	18	20

Defined benefit costs recognised in Statement of Financial Activities

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(76)	(40)
Gains and losses arising on the plan liabilities - gain (loss)	(104)	(27)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	32
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	167	(16)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(13)	(51)
Total amount recognised in Other Comprehensive Income - gain (loss)	(51)	(51)

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Notes to the financial statements

<u>Assets</u>	2025 (£000s)	2024 (£000s)
Global Equity	185	168
Absolute Return		66
Distressed Opportunities		59
Credit Relative Value		55
Alternative Risk Prem		53
Liquid Alternatives	306	
Emerging Markets Debt		22
Risk Sharing		98
Property	83	68
Insurance linked securities	5	9
Infrastructure		170
Private Debt		66
Opportunistic Illiquid Credit		66
Private Credit	202	
Credit	63	
Investment Grade Credit	51	
Opportunistic Credit		-
Cash	22	33
Private Equity	1	1
Currency Hedging	3	(1)
Real Assets	197	
Long Lease Property		11
Secured Income	28	50
Liability Driven Investment	499	685
Net Current Assets	4	3
Total assets	1,649	1,682

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by the employer.

Key Assumptions	2025 % per annum	2024 % per annum
Discount Rate	5.68%	4.86%
Inflation (RPI)	3.14%	3.20%
Inflation (CPI)	3.75%	2.75%

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Notes to the financial statements

Salary Growth	3.75%	3.75%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**Life expectancy
at age 65**

Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

22. Operating leases - Lessor

Properties owned by Haig Housing Trust are occupied under various tenancy agreements. The committed rental income generated under these agreements over the next 12 months is estimated to be £563,000 (2024 £513,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2025

23. Related party transactions

There have been no related party transactions that require disclosure.

24. Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes have in the past been subject to a uniting direction granted by Charity Commission schemes. The objects of the linked charities below are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. However, in respect of Disabled Officer Garden Homes (DOGH) accommodation is for disabled former officers who are married or in a relationship analogous to marriage.

In addition, the Trust holds all allotted shares in Haig Housing Trading Limited (formerly Coming Home Campaign Limited, name changed on 11 June 2019), a limited company (registered in England and Wales 09331680) that carries out trading activities on behalf of the charity. This entity was dormant for the year ended 31 March 2025

A summary of the results of each, which are included in these Financial Statements, are shown below:

	DOGH £'000	Mitchell Flats £'000	Clevedon Homes £'000
Income	136	16	15
Expenditure	(234)	(65)	(25)
(Deficit) / Surplus	(98)	(49)	(10)
Net assets	566	(92)	530

HAIG HOUSING TRUST
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Notes to the financial statements

25. Statement of Financial Activities – Comparatives

	Note	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:						
Donations and legacies	4	-	-	8	8	23
Charitable activities	5	-	257	11,309	11,566	10,796
Grants				1313	1313	-
Profit on sale of assets		-	-	881	881	874
Investments		-	4	750	754	314
Other income		-	-	13	13	37
Total income and endowments		-	261	14,274	14,535	12,044
Expenditure on:						
Raising funds		-	-	92	92	47
Charitable activities		14	433	19,622	20,069	13,659
Total expenditure		14	433	19,714	20,161	13,706
Net gains/(losses) on investments		-	(2)	384	382	(246)
Net movement in funds before other recognised gains		(14)	(174)	(5,056)	(5,244)	(1,908)
Actuarial (losses) on defined benefit pension schemes		-	-	(51)	(51)	(39)
Transfers between funds		-	-	-	-	-
Net movement in funds		(14)	(174)	(5,107)	(5,295)	(1,947)
Reconciliation of funds:						
Total funds brought forward		539	19,906	67,885	88,330	90,277
Net movement in funds		(14)	(174)	(5,107)	(5,295)	(1,947)
Total funds carried forward		525	19,732	62,778	83,035	88,330

The Statement of Financial Activities includes all gains and losses recognised in the year.

Accounts

Registered number: 06593129
Charity numbers: 1125556 & SC040058

HAIG HOUSING TRUST
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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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HAIG HOUSING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees	Mr D G Williams (Chair of Trustees) Ms L M S Locke (Vice Chair of Trustees) Mr J.P. Colborne-Baber Mr S M Elliott Mrs S S Fernandes Mr A B Weir Dr M J S Weir Mr N G White Mrs N McWhinney Mrs K Connell Mr M Carter Mr C Thomson-Smith
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Company registered number 06593129

Charity registered numbers 1125556 (England and Wales) and SC040058 (Scotland)

Registered office	Mountbarrow House 12 Elizabeth Street London SW1W 9RB
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Company secretary	Michael Robb
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Chief executive officer	Tim Stockings
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Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
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Bankers	Barclays Bank Plc 50 Pall Mall London SW1A 1QF
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Solicitors	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ
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Senior Leadership Team (SLT)	Tim Stockings (Chief Executive) Michael Robb William Lindsay Amanda Deakin Irfan Chaudhry
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HAIG HOUSING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their report and the financial statements of the company for the year ended 31 March 2024

CHAIRMAN'S STATEMENT

Despite challenging headwinds, Haig Housing Trust continues to deliver its primary objective of housing veterans and their families in need. That need is still growing as more people find their domestic situation difficult, and the supply of affordable housing remains constrained. We know that veterans and their families can experience a housing crisis at any stage of their lives, and our hardworking and dedicated colleagues are focussed on ensuring that Haig is there to help as many of them as possible. Although there is widespread recognition of a need to improve housing provision across the UK, a solution still seems some way off. Working with partners across the veterans' charity sector we are able to help over 4,000 beneficiaries every year, and we aim to help more.

The substantial investment in our properties continuous apace and is yielding real impact. Across our estates we have accelerated our maintenance and improvement programme whilst reducing our carbon footprint. As well as helping us to reduce our costs, this work puts money back in veterans' pockets by reducing their energy costs and helping them manage the growing cost of living. So far this year we have returned over £85,000 to beneficiaries in lower fuel bills, and we aim to do more.

As we look to the future, we will grow and diversify our income to enable even greater investment in our properties. We will assess every estate against our strategy to deliver our three strategic objectives of Beneficiary Focus, Quality Service and Sustainable Homes. We will modernise our homes where we can, working with new partners to continue our transformation to deliver better housing solutions for more veterans. We are realistic about the challenges but optimistic about our future. Building on our successes we'll grow our positive impact on the lives of veterans and their families, and we aim to achieve more.

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Charitable Objects and Governing Document

The Charity is governed by its 2019 Memorandum and Articles of Association (MAoA), which outline its objects:

- a. To relieve need, financial hardship, sickness, disability, the effects of wounds, old age or other like condition by the provision of, or assistance with, housing for the following persons in order of priority:
 - I. Members and former members of all ranks and ratings of the Armed Forces of the Crown, whether Regular or Reserve, and their spouses, widows or widowers.
 - II. Former or separated spouses of members or former members of the Armed Forces of the Crown, whether Regular or Reserve, who have dependent children living with them.
 - III. Such persons in a. (ii) above without dependent children.
- b. Such charitable purposes for the benefit of beneficiaries of the Charity as the Trustees decide.

Public Benefit

The Trustees confirm that the Charity's activities in support of its MAoA are delivered effectively, complying with the Charities Act and Charity Commission's guidance.

Governance

The Board comprises twelve independent non-executive trustees, who bring a wealth of experience to the charity and are legally responsible for the overall management and control of The Trust. They receive no remuneration for their role and any interests or related party relationships are disclosed in the Register of Interests. All Trustees sign and adhere to Haig's Trustee Code of Conduct.

New trustees undertake an induction programme and the Board is kept up to date with developments through regular briefings and training. A strategy awayday is held once a year, as well as regular visits to estates. The Board assess its performance annually, mindful of the guidance issued by the Charity Commission, and sector bodies.

Trustees met formally every quarter, delegating specific issues to three sub-committees that report to the full Board: Estates, Finance & Risk (FRC) and People. Oversight of the Trust's properties in Scotland is by a local committee, consisting of volunteer members and a beneficiary tenant that met three times. Additionally, there was a Management Committee comprising the executive team and beneficiaries. The Trust intended to move towards tenant representation on the Board but that has taken longer than envisaged. Future plans are being reviewed.

There are three linked charities with similar objects: Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes. The Trust also holds all allotted shares in a dormant limited trading company: Haig Housing Trading Limited, see note 24 to the financial statements.

Remuneration

The remuneration policy was agreed by Board in May 2022. Staff roles are assessed against a suite of measures with judgment applied to reflect market conditions.

HAIG HOUSING TRUST
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REVIEW OF ACTIVITIES

Haig maintains c1500 homes for veterans in 80 communities across the UK, varying in size from around 12 homes up to 345 properties in Morden. Beneficiaries are charged a charitable rent set below market rates. Rental income provides the main source of funds for the Charity.

The 2021 strategic review continues to drive change, improve performance and channel investment for the future, whilst confirming our Purpose:

Providing quality homes to improve the lives of veterans and their families in need

and Strategic Objectives:

Beneficiary focus
Quality service
Sustainable homes

We continue to work collaboratively with a range of partners to deliver impact for beneficiaries, many of whom have complex needs that cannot be met by Haig alone. We avoid duplicating services, signposting those who require more help to other sources of support. We have established a productive relationship with E.ON to deliver our sustainability improvements and will use this model to build future capability.

We continue to shape Veterans' housing policy in conjunction with the Confederation of Service Charities (Cobseo). The CE co-chairs the housing cluster that helps nationwide co-ordination of veterans' housing. Outreach work with Ministers, MPs, Councillors and the Service Community across the whole of the UK and Jersey helps to broaden understanding of Haig and deliver better outcomes for veterans.

Although currently without a Patron, we hope to have a way ahead shortly.

Our People

As our most important resource, we work hard to recruit, train and retain high quality staff. We have initiated a new appraisal system, invested in developing our team, reorganised around delivery teams, recruited a finance director and are building systems to support delivering outcomes for our beneficiaries. We have moved our head office back to Victoria, which has reduced costs and provided an extra catalyst for change. We have an engagement team of staff colleagues who help us design our rewards and recognition package. We believe Haig is a great place to work. We signed the Armed Forces Covenant and achieved the Bronze Level of the Defence Employer Recognition Scheme – a tangible commitment to working veterans.

Beneficiary focus

The housing sector remains under immense pressure, caused by austerity and decades of under investment. Haig is not immune from that dynamic, with demand continuing to outstrip supply by a considerable margin. We are building partnerships as a way to leverage success. There has been volatility around the legislative agenda due to political uncertainty, making strategic planning challenging.

We continue to strive to improve our impact and outcomes for beneficiaries. The cost-of-living crisis still affects many households, with an increasing number struggling to make ends meet. Whilst we have invested heavily in improving our estate, we still struggle in some areas to meet expectations. We are working hard to improve our performance but the reality is that with heavily subsidised rents and aging properties, our room for manoeuvre is limited. We are going to be clear in future that as a charity we exist to deal with need, not want.

We have overhauled our complaints handling process, invested in upskilling staff and been clear about the cultural change we want to deliver. We obtain direct feedback about our performance during our regular visits to estates. The vast majority of our tenants are happy with the service they receive. We are moving towards adopting the sector's tenant satisfaction measures that provide a framework for monitoring and benchmarking. We have worked hard to improve tenant engagement, holding regular meetings at our largest estate and increasing the frequency of our communications.

Quality Service

We continue to focus our efforts on front line delivery aided by systems that free up staff time. Rents were increased by less than the sector average and we provide access to hardship and community funds to help

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tenants live a more fulfilling life. Our income team continues to support those who are struggling, allowing them to stay in their homes and sustain their tenancies. Taken together this suite of measures clearly demonstrates our charitable purpose.

Our IT supplier suffered a serious outage in November that meant we lost access to our systems for a month. Previously this event might have severely impacted our services but as a result of the improvements we have made, we were able to continue operations.

Sustainable Homes

We are delivering impact, improving the condition of our properties and making houses warmer whilst reducing the carbon footprint in 386 homes. In addition to improving habitability, these changes are saving residents an average of £500 per year on their energy bills, a total so far of over £85,000. In some cases they are able to sell the excess power back to the grid, realising even greater savings.

We will be more ambitious in 24/25, delivering projects that improve beneficiaries' lives in over 500 homes. We are working towards the target for all social housing to be at EPC C or above by 2030; where feasible we try to exceed that standard.

We handled over 8,000 phone calls and 10,000 emails, resulting in over 6,000 repair orders being raised. Our post-works satisfaction survey indicated that over 80% of our beneficiaries were satisfied with the service they received.

This year we were delighted to receive a grant of £200,000 from the Army Benevolent Fund (ABF) to accelerate our kitchens and bathrooms improvement programme and have applied for another grant for 24/25. We managed the impact from the worst storms in a generation that hit the island of Jersey hard, particularly our homes. We provided immediate emergency relief and are in the middle of a comprehensive reinstatement programme.

STRATEGIC OUTLOOK

The societal, economic and structural challenges facing the sector remain, as reflected in our comments last year. At the time of writing, the new government is rapidly rolling out their plan for change. There are likely to be profound implications for the housing sector. As we aspire to provide quality homes we support the general direction of travel but need to see the detail before we can assess the impact on our operations.

Our investment programme is already yielding dividends: happier beneficiaries, improved standards and lower running costs.

Future Plans

We will continue to grow our impact on beneficiaries by:

- Investing in our estate, rationalising where appropriate
- Improving sustainability
- Delivering our services in a cost-effective way
- Improving our understanding of beneficiaries' needs
- Robust regulatory compliance and long-term financial stability
- Developing our staff and modernising our support systems
- Active participation in the housing, charitable and veterans' sector
- Building our fundraising capability

In doing so we aim to show the real value of living in a Haig home.

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Fundraising and Investments

Fundraising has historically not been a major activity of the Trust (2024 £8k), nor relied upon to fund operations. We intend to change that dynamic to grow and diversify our income. We do not employ a professional fundraiser and all activities are overseen by the CE. We are registered with the Fundraising Regulator, adhere to the Fundraising Code, GDPR, and do not share data for the purposes of fundraising. The Trust received no complaints in relation to fundraising activities during the year.

The Trust's investments of cash and funds are administered by Investec to reflect the Board's objectives and risk appetite. Money is invested principally in investment grade fixed interest securities, 'blue chip' equities and collective funds.

Financial Review and Results -

The plan to use resources to improve the condition of our estates resulted in a deficit of £5.4M. Cash reserves will continue to be used to fund the upgrade and maintenance programme.

Total income increased to £14.5M (2023 £12.0M) Rents increased by an average of 7% and £1.3m of grant income was received from SHDF (2023 £Nil)

Total resources expended were £20.2M (2023 £13.7M). Key items were direct property costs, including: repairs £14.1M (2023 £8.3M); staff £3.0M (2023 £2.8M); support £1.5M (2023 £1.2M) and depreciation £1.4M (2023 £1.4M). Total net assets were £83.0M (2023 £88.3M).

The Trust holds £14.3M (2023 £3.8M) of investment funds with Investec, who manage them on a discretionary basis in accordance with the Investment Policy. The Finance and Risk Committee reviews investment performance quarterly. During the year £10M was transferred from cash deposits to investment funds.

Cash at bank was £8.3M (2023 £20.6M), most of which arose from the sale of a large property. Most of the money held in cash and investments as well as the proceeds of future sales is designated for three main uses: property acquisition, sustainability projects and planned improvements.

Reserves

Sufficient operating reserves are held to enable the Trust to operate and meet its charitable objects. The amount held is regularly reviewed, with a minimum of three to four months operating expenditure held in cash or other liquid securities that can be realised within 60 days. At 31 March 24 reserves of £8.4M (2023 £6.1M) were held, equating to 5 months of cash operating expenses with sufficient unrestricted funds to cover distribution of these reserves.

Risk Management

Trustees oversee risk performance; the FRC reviews the risk register quarterly and reports to Board, who assess policy, performance, appetite and risk register annually. Day to day management is the responsibility of the executive with additional assurance provided by internal audit.

Principal Risks

The principal risks to the Trust come from operational activities within the wider legal, economic & societal environment, including:

- The escalating cost of achieving sustainable homes at a decent standard
- Meeting increasingly demanding tenant expectation
- Contractor performance
- Regulatory, legal and welfare changes
- The ability to recruit and retain talented staff

We have made significant investment in our properties and will continue to do so where it aligns with our strategy. We will dispose of those properties that are no longer a good fit. We will grow and diversify our income to provide headroom to do that and will investigate partnerships that may unlock development potential.

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We have made great strides to improve tenants engagement but recognise that we have further to go. We are doing our best to manage tenant expectation but the reality is that the challenges are societal and sector wide; we cannot solve them alone.

Maintenance and repairs are delivered by contractors on our behalf. We recognise the critical nature of that dynamic and will work in the next year to improve outcomes for all involved.

The regulatory regime is becoming increasingly challenging. Increased appetite by governments, regulators and ombudsman to flex their muscles, principally as a result of media pressure too often casts housing providers as the problem, rather than part of the solution. That dynamic needs to change if the underinvestment of generations is to be addressed – there are no quick fixes. Although not a Registered Provider, we aim to align as closely as possible to the standards mandated for that sector.

Going Concern

The Trust has a robust business model, which has survived recent challenges and its financial strength is underpinned by the value of its property portfolio. The five-year business plan aims to upgrade properties using cash reserves whilst breaking even on day-to-day activities. The Trust is confident that plan will be substantially achieved, with potential to extract further value from non-core elements of the property portfolio if necessary.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the auditor

Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor.

So far as each of the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and each of the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the trustees in their capacity as company directors on 25th September 2024 and signed on their behalf by:



Mr D G Williams
Chair of Trustees


Mr C Thomson-Smith
Trustee

HAIG HOUSING TRUST

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinion

We have audited the financial statements of Haig Housing Trust ('the charitable company') for the year ended 31 March 2024 which comprise of the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2024 and of 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 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 the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit

HAIG HOUSING TRUST
(A company limited by guarantee)

Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005], together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and Employment legislation.

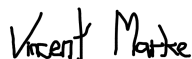
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of repairs and maintenance expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Companies House, OSCR and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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 and 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.



Vincent Marke
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 02.10.2024

HAIG HOUSING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

		Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
	Note					
Income from:						
Donations and legacies	4	-	-	8	8	23
Charitable activities	5	-	257	11,309	11,566	10,796
Grants				1313	1313	-
Profit on sale of assets		-	-	881	881	874
Investments		-	4	750	754	314
Other income		-	-	13	13	37
Total income and endowments		<u>-</u>	<u>261</u>	<u>14,274</u>	<u>14,535</u>	<u>12,044</u>
Expenditure on:						
Raising funds		-	-	92	92	47
Charitable activities	6	14	433	19,622	20,069	13,659
Total expenditure		<u>14</u>	<u>433</u>	<u>19,714</u>	<u>20,161</u>	<u>13,706</u>
Net gains/(losses) on investments		-	(2)	384	382	(246)
Net income before other recognised gains		<u>(14)</u>	<u>(174)</u>	<u>(5,056)</u>	<u>(5,244)</u>	<u>(1,908)</u>
Actuarial (losses) on defined benefit pension schemes		-	-	(51)	(51)	(39)
Net movement in funds		<u>(14)</u>	<u>(174)</u>	<u>(5,107)</u>	<u>(5,295)</u>	<u>(1,947)</u>
Reconciliation of funds:						
Total funds brought forward		539	19,906	67,885	88,330	90,277
Net movement in funds		(14)	(174)	(5,107)	(5,295)	(1,947)
Total funds carried forward		<u>525</u>	<u>19,732</u>	<u>62,778</u>	<u>83,035</u>	<u>88,330</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

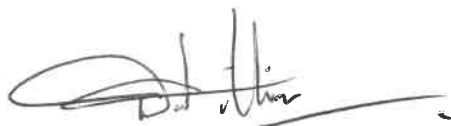
The notes on pages 15 to 30 form part of these financial statements.

HAIG HOUSING TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	11	64,614	65,924
Investments	12	14,292	3,818
		<u>78,906</u>	<u>69,742</u>
Current assets			
Debtors	13	1,302	367
Cash at bank and in hand		8,329	20,612
		<u>9,631</u>	<u>20,979</u>
Creditors: due within one year	14	(5,143)	(2,017)
Net current assets		<u>4,488</u>	<u>18,962</u>
Total assets less current liabilities		<u>83,394</u>	<u>88,704</u>
Defined benefit pension scheme liability	21	(359)	(374)
Total net assets		<u><u>83,035</u></u>	<u><u>88,330</u></u>
Charity funds			
Endowment funds	15	525	539
Restricted funds	15	19,732	19,906
Unrestricted funds	15	62,778	67,885
Total funds		<u><u>83,035</u></u>	<u><u>88,330</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr D G Williams
Chair of Trustees
Date: 25th September 2024



Mr C Thomson Smith
Trustee

HAIG HOUSING TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash used in operating activities	17	(2,996)	(2,009)
Cash flows from investing activities			
Dividends, interest and returns from investments		633	243
Proceeds from the sale of tangible fixed assets		1,277	1,503
Purchase of investments		(10,001)	-
Purchase of tangible fixed assets		(581)	(1,063)
Net cash provided by investing activities		(8,672)	683
Cash flows from financing activities			
Repayments of borrowing		(561)	(173)
Interest payable		(54)	(46)
Net cash used in financing activities		(615)	(219)
Change in cash and cash equivalents in the year		(12,283)	(1,545)
Cash and cash equivalents at the beginning of the year		20,612	22,157
Cash and cash equivalents at the end of the year	18	<u>8,329</u>	<u>20,612</u>

The notes on the following pages form part of these financial statements.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

1. General information

Haig Housing Trust is a private company limited by guarantee (registered number 06593129) which is incorporated and domiciled in the UK and meets the definition of a public benefit entity under FRS102. The address of the registered office is Mountbarrow House, 12 Elizabeth Street, London, SW1W 9RB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2.2 Going concern

The Trust has a robust business model, the durability of which has been confirmed during the last two years, despite challenges faced in its operating environment. The financial strength of the Trust is also confirmed by the long term value of its substantial property portfolio.

The Trust has continued to maintain its substantial cash balances. The Trust's five year forecasts indicate that it will continue to maintain a positive cash balance over this period, despite plans to considerably increase expenditure on its property portfolio. The Trustees and Directors are confident that this forecasted five year cash performance will be substantially achieved, and they are aware of the potential to extract further value from non-core elements of the property portfolio if necessary. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

2.3 Income

Income from rental and service charges is recognised in the financial statements in the period to which the rent or service charge relates and entitlement is earned. Investment income is accounted for on an accruals basis.

Donations received are accounted for through the income and expenditure account on a receipts basis. Donated properties are included at their open market value or their existing use value at the date of the donation.

Legacies are recognised in the financial statements only upon the granting of probate provided there is probability of legal entitlement and a reliable estimate can be obtained on notifications received before the year end. Non-performance related grants are accounted for as received.

2.4 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered. Support costs comprise of administration costs and are allocated to the various cost categories on the basis of an estimate of staff time attributable to each activity. Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses and external audit fees.

2.5 Housing Properties

Depreciation is charged to write down the value of freehold housing properties to their estimated residual value on a straight line basis over their remaining expected useful economic lives. No housing properties are shown at a value exceeding their estimated recoverable amount. Impairment losses recognised are shown under operating costs.

Freehold land is not depreciated. Freehold properties are depreciated over 50 – 70 years depending on the property. Leasehold properties are depreciated over the shorter of the term of the lease or their estimated useful life.

HAIG HOUSING TRUST
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Notes to the financial statements

Other Fixed Assets

Assets costing more than £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic life of the assets at the following rates:

Freehold offices	- 2%	50 years
Motor vehicles	- 33%	3 years
Office equipment	- 33%	3 years

2.6 Investments

Investments are stated at market value at the balance sheet date. Gains are calculated based on the movement in market value during the period. The investments in the subsidiary undertakings are stated at deemed cost less impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Financial instruments

Haig Housing Trust 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 amortised cost using the effective interest method.

Financial assets held at cost comprise cash at bank and in hand, together with trade and other debtors (excludes prepayments). Financial liabilities held at cost comprise bank loans and overdrafts, trade and other creditors (excludes rent in advance).

Investments, held as part of an investment portfolio, are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. The value of these assets at 31 March 2024 was £14,292,000 (2023: £3,818,000).

2.11 Pensions

Haig Housing Trust participates in a defined benefit pension scheme (The Pensions Trust Social Housing Pension Scheme) and a defined contribution scheme. Costs in connection with both pension schemes are charged to the Statement of Financial Activities as contributions fall due.

2.12 Fund accounting

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity

Endowment funds

These are restricted funds which must be retained as trust capital, subject to a discretionary power to use this capital for specific purposes.

HAIG HOUSING TRUST
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Notes to the financial statements

Designated funds

These funds have been designated by the trustees for specific purposes. The largest designated fund represents amounts invested in fixed assets for use by the charity.

General fund

The funds are available at any time for the use at the discretion of Trustees for furtherance of the charity's activities and objectives.

3. Critical accounting estimates and areas of judgment

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The areas where judgments and estimates have been made include:

Pensions

The SHPS pension liability is based on the SHPS valuation as at 31 March 2024 and full details of this liability and the underlying assumptions are disclosed in note 21.

Useful economic life of assets

The estimation of the useful economic life of the properties within the portfolio means that depreciation is a judgment.

Impairment

Impairment of the properties is considered annually. In making the judgement management consider the condition and current use of the property. During the year a £116,000 impairment charge was made against the Charity's former office premises in Morden as disclosed in note 11. There were no other impairments in the current or prior year.

4. Income from donations and legacies

	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Donations	8	8	23
Legacies	-	-	-
	<u>8</u>	<u>8</u>	<u>23</u>

5. Income from charitable activities

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Provision of housing to beneficiaries	<u>257</u>	<u>11,309</u>	<u>11,566</u>	<u>10,796</u>

HAIG HOUSING TRUST
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Notes to the financial statements

6. Analysis of expenditure on charitable activities

Summary by fund type

	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Provision of housing to beneficiaries	14	433	19,622	<u>20,069</u>

7. Analysis of expenditure by activities

	2024 £000	2023 £000
Staff costs	2,992	2,747
Property repair, servicing and management	14,147	8,265
Interest payable	54	46
Bad debt expense	54	30
Return of grant to Help for Heroes and donations paid	75	75
Building depreciation	1,277	1,292
Support Costs	1,470	1,204
	<u>20,069</u>	<u>13,659</u>

Support costs as above include consultancy fees of £21,000, legal and professional fees of £37,000, information technology costs of £330,000, ancillary staff costs of £393,000, telephone expenses of £65,000, depreciation and office impairment of £219,000 and other costs of £405,000.

In prior years Help for Heroes has contributed grants towards purchase of properties. These grants are returned to Help for Heroes in the event a property bought using a Help for Heroes grant is sold. The net balance of Help for Heroes grants used to purchase properties as at 31st March 2024 was £1.5M (2023 £1.6M). No properties bought using a Help for Heroes grant are currently planned for disposal.

8. Auditor's remuneration

	2024 £000	2023 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	33	31
Fees payable to the Charity's auditor in respect of: All non audit services not included above	<u>-</u>	<u>4</u>

HAIG HOUSING TRUST
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Notes to the financial statements

9. Staff costs

	2024	<i>2023</i>
	£000	<i>£000</i>
Wages and salaries	2,589	2,353
Social security costs	270	245
Contribution to defined contribution pension schemes	184	167
	<u>3,043</u>	<u>2,765</u>

The average number of persons employed by the Charity during the year was as follows:

	2024	<i>2023</i>
	No.	<i>No.</i>
Provision of housing	47	42
Support costs	12	14
	<u>59</u>	<u>56</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	<i>2023</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	-	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

Several senior staff left the organisation over the year, which affects the above figures.

Employer's pension contributions of £42,773 (2023: £38,129) were paid in respect of these higher paid employees. The total employee benefits of 5 key management personnel of the charity were £504,461 (2023: 6 key management personnel received £586,021).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: £nil).

During the year ended 31 March 2024, expenses of £1k were reimbursed or paid directly to Trustees (2023: £1k)

HAIG HOUSING TRUST
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Notes to the financial statements

11. Tangible fixed assets

	Housing properties £000	Work in progress £000	Freehold office £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation						
At 1 April 2023	82,224	-	307	18	1,690	84,239
Additions	446	-	-	-	135	581
Disposals	(427)	-	-	(18)	(1,527)	(1,972)
At 31 March 2024	82,243	-	307	-	298	82,848
Depreciation						
At 1 April 2023	16,560	-	156	18	1,581	18,315
Charge for the year	1,277	-	6	-	97	1,380
On disposals	(32)	-	-	(18)	(1,527)	(1,577)
Office impairment	-	-	116	-	-	116
At 31 March 2024	17,805	-	278	-	151	18,234
Net book value						
At 31 March 2024	<u>64,438</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>147</u>	<u>64,614</u>
At 31 March 2023	<u>65,664</u>	<u>-</u>	<u>151</u>	<u>-</u>	<u>109</u>	<u>65,924</u>

12. Investments

	2024 £000	2023 £000
Market Value at 1 April	3,818	4,022
Additions	10,118	76
Disposals	(26)	(27)
Gain / (losses) on investments	382	(253)
Market value at 31 March	<u>14,292</u>	<u>3,818</u>
<i>Historic Cost</i>	<u>13,239</u>	<u>3,238</u>

Investments comprise £14.3m under management with Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

HAIG HOUSING TRUST
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Notes to the financial statements

13. Debtors

	2024	2023
	£000	£000
Rent debtors	383	180
Prepayments	390	46
Accrued income and other debtors	529	141
	<u>1,302</u>	<u>367</u>

14. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Bank loans	-	562
Trade creditors	1,755	929
Other creditors	205	68
Accruals and deferred income	3,183	458
	<u>5,143</u>	<u>2,017</u>

The above includes £317k (2023: £373k) of deferred income which relates to rental income received in advance, the amount bought forward was recognised fully within the year.

Bank loans consisting of two fixed rate loans with a rate of 6.8% were fully repaid during the year. These loans were secured on five of the estates owned by Haig Housing Trust. These made up a small proportion of overall housing stock and had a net book value of £6,687,976 at the previous year end.

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Notes to the financial statements

15. Statement of funds – current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers/ Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	45,881	-	(1,330)	234	44,785
Leasehold liability fund	117	-	-	-	117
Sustainability projects fund	7,000	-	-	-	7,000
Property acquisition fund	1,000	-	-	-	1,000
Planned improvements fund	3,000	-	-	-	3,000
Community chest reserve	72	-	-	-	72
Pension reserve	(374)	-	66	(51)	(359)
	<u>56,696</u>	<u>-</u>	<u>(1,264)</u>	<u>183</u>	<u>55,615</u>
General funds					
General Funds - all funds	11,189	14,274	(18,450)	150	7,163
Total Unrestricted funds	<u>67,885</u>	<u>14,274</u>	<u>(19,714)</u>	<u>333</u>	<u>62,778</u>
Endowment funds					
Permanent Endowment	<u>539</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>525</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,770	129	(220)	-	2,679
Disabled Officer Garden					
Homes	61	128	(133)	-	56
Help for Heroes (coming home)	1,635	-	(75)	-	1,560
Other	104	-	-	-	104
Mrs Willie James Fund	306	4	(5)	(2)	303
	<u>19,906</u>	<u>261</u>	<u>(433)</u>	<u>(2)</u>	<u>19,732</u>
Total of funds	<u>88,330</u>	<u>14,535</u>	<u>(20,161)</u>	<u>331</u>	<u>83,035</u>

HAIG HOUSING TRUST
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Notes to the financial statements

Statement of funds –prior year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers/ Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	46,981	-	(1,343)	243	45,881
Leasehold liability fund	117	-	-	-	117
Sustainability projects fund	-	-	-	7,000	7,000
Property acquisition fund	-	-	-	1,000	1,000
Planned improvements fund	-	-	-	3,000	3,000
Community chest reserve	72	-	-	-	72
Pension reserve	(405)	-	70	(39)	(374)
	<u>46,765</u>	<u>-</u>	<u>(1,273)</u>	<u>11,204</u>	<u>56,696</u>
General funds					
General Funds - all funds	22,956	11,813	(12,115)	(11,465)	11,189
Total Unrestricted funds	<u>69,721</u>	<u>11,813</u>	<u>(13,388)</u>	<u>(261)</u>	<u>67,885</u>
Endowment funds					
Permanent Endowment	<u>553</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>539</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,753	107	(90)	-	2,770
Disabled Officer Garden					
Homes	75	115	(129)	-	61
Help for Heroes (coming home)	1,710	-	(75)	-	1,635
Other	104	-	-	-	104
Mrs Willie James Fund	331	9	(10)	(24)	306
	<u>20,003</u>	<u>231</u>	<u>(304)</u>	<u>(24)</u>	<u>19,906</u>
Total of funds	<u>90,277</u>	<u>12,044</u>	<u>(13,706)</u>	<u>(285)</u>	<u>88,330</u>

Permanent Endowment

Relates to properties originally gifted to Disabled Officer Garden Homes.

Restricted Funds / Reserves

Veterans Accommodation Fund

This fund was created with monies from the Ministry of Defence and is to be used to develop /purchase properties in Morden, Scotland, Aldershot and Colchester. At 31 March 2024 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

Colchester Borough Council Fund

This restricted fund was created with monies from Colchester Borough Council to provide affordable homes for ex-service men and women.

Disabled Soldier and Sailors (Hackney) Foundation (DSSHF)

This restricted fund was created on the gift of the assets and liabilities of the above charity to Haig Housing Trust. Further details are included in note 24.

HAIG HOUSING TRUST
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Notes to the financial statements

Disabled Officer Garden Homes

This fund (along with the permanent endowment fund) represents funds in respect of Disabled Officer Garden Homes administered by Haig Housing Trust. Further details are included in Note 24.

Help for Heroes (Coming Home)

These funds comprise amounts donated to provide housing to injured service men and women.

Mrs Willie James Charity

Administered by Haig Housing Trust, the funds are used to support a variety of purposes for needy tenants.

Designated funds / reserves

Fixed asset fund

This represents the net book value of Tangible Fixed Assets held in unrestricted funds which are not available in the short term to fund the Trust's activities. Transfers represent net additions to fixed assets.

Leasehold liability fund

An accumulation fund created to retain funds for the renewal and extension of leases on short and medium term leasehold properties.

Sustainability projects fund

This fund was created in the previous year to retain funds for planned sustainability improvements to the Trust's existing properties in line with the five-year estate improvement project.

Property acquisition fund

A fund created in the previous year to provide for funds in anticipation of future property acquisitions in the coming five years.

Planned improvements fund

A fund created in the previous year to provide funds for a range of planned improvements to the Trust's existing property portfolio in line with the five-year estate improvement project.

Pension reserve

This represents funds set aside for the potential future costs arising from the Trust's commitment to the Social Housing Pension Scheme.

Community Chest Reserve

This fund was created to hold individual donations in order to ensure that the amounts donated are subsequently spent on charitable purposes in dedication to these donors.

16 Analysis of net assets between funds – current period

	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	525	17,709	46,380	64,614
Fixed asset investments	-	295	13,997	14,292
Current assets	-	1,728	7,903	9,631
Creditors due within one year	-	-	(5,143)	(5,143)
Provisions for liabilities and charges	-	-	(359)	(359)
Total	525	19,732	62,778	83,035

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Notes to the financial statements

Analysis of net assets between funds - prior period

	Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	539	19,061	46,324	65,924
Fixed asset investments	-	288	3,530	3,818
Current assets		557	20,422	20,979
Creditors due within one year	-	-	(2,017)	(2,017)
Provisions for liabilities and charges	-	-	(374)	(374)
Total	<u>539</u>	<u>19,906</u>	<u>67,885</u>	<u>88,330</u>

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

	2024 £000	2023 £000
Net income for the period (as per Statement of Financial Activities)	(5,626)	(1,662)
Adjustments for:		
Depreciation charges	1,380	1,393
Dividends, interest and returns from investments	(634)	(319)
Profit on the sale of fixed assets	(881)	(874)
Movement in pension deficit liability	(66)	(70)
(Increase) / Decrease in debtors	(934)	407
Increase / (Decrease) in creditors	3,711	(930)
Interest payable	54	46
Net cash provided by operating activities	<u>(2,996)</u>	<u>(2,009)</u>

18. Analysis of cash and cash equivalents

	2024 £000	2023 £000
Cash in hand	8,329	20,612
Total cash and cash equivalents	<u>8,329</u>	<u>20,612</u>

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Notes to the financial statements

19. Analysis of Net Debt

	At 1 April 2023 £000	Cash flows £000	At 31 March 2024 £000
Cash at bank and in hand	20,612	(12,283)	8,329
Debt due within 1 year	(562)	562	-
	<u>20,050</u>	<u>(11,721)</u>	<u>8,329</u>

20. Capital commitments

	2024 £000	2023 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

21. Pension commitments

Defined benefit scheme

The Trust participates in the Social Housing Pension Scheme (the scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with the documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. The valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a "last-man standing arrangement". Therefore the Trust is potentially liable for other participating employers' obligations if these employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore the Trust has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it has been possible to obtain sufficient information to enable the Trust to account for the scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the Trust's fair share of the Schemes total assets to calculate the Trust's net deficit or surplus.

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Notes to the financial statements

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset

	2024	2023
	(£000s)	(£000s)
Fair value of plan assets	1,682	1,672
Present value of defined benefit obligation	2,041	2,046
Surplus (deficit) in plan	(359)	(374)
Defined benefit asset (liability) to be recognised	(359)	(374)

Reconciliation of opening and closing balances of the defined benefit obligation

	2024	2023
	(£000s)	(£000s)
Defined benefit obligation at start of period	2,046	2,818
Interest and other expenses	101	79
Actuarial losses (gains) due to changes in financial assumptions	11	(697)
Benefits paid and expenses	(117)	(154)
Defined benefit obligation at end of period	2,041	2,046

Reconciliation of opening and closing balances of the fair value of plan assets

	2024	2023
	(£000s)	(£000s)
Fair value of plan assets at start of period	1,672	2,413
Interest income	81	66
Losses / gains on plan assets	(40)	(736)
Employer contributions	86	83
Benefits paid and expenses	(117)	(154)
Fair value of plan assets at end of period	1,682	1,672

Reconciliation of opening and closing balances of the fair value of plan assets

Expenses	3	3
Net interest expense	17	10
Defined benefit costs recognised in Statement of Financial Activities	20	13

Defined benefit costs recognised in Statement of Financial Activities

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(40)	(736)
Gains and losses arising on the plan liabilities - gain (loss)	(27)	23
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	32	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(16)	667
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(51)	(39)
Total amount recognised in Other Comprehensive Income - gain (loss)	(51)	(39)

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Notes to the financial statements

<u>Assets</u>	2024 (£000s)	2023 (£000s)
Global Equity	168	31
Absolute Return	66	18
Distressed Opportunities	59	51
Credit Relative Value	55	63
Alternative Risk Prem	53	3
Emerging Markets Debt	22	9
Risk Sharing	98	123
Property	68	72
Insurance linked securities	9	42
Infrastructure	170	191
Private Debt	66	74
Opportunistic Illiquid Credit	66	72
High Yield	-	6
Opportunistic Credit	-	-
Cash	33	12
Private Equity	1	-
Currency Hedging	(1)	3
Long Lease Property	11	50
Secured Income	50	77
Liability Driven Investment	685	771
Net Current Assets	3	4
Total assets	1,682	1,672

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by the employer.

Key Assumptions	2024 % per annum	2023 % per annum
Discount Rate	4.86%	4.90%
Inflation (RPI)	3.20%	3.21%
Inflation (CPI)	2.75%	2.69%
Salary Growth	3.75%	3.69%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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Notes to the financial statements

	Life expectancy at age 65
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

22. Operating leases - Lessor

Properties owned by Haig Housing Trust are occupied under various tenancy agreements. The committed rental income generated under these agreements over the next 12 months is estimated to be £513,000 (2023 £579,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2024

23. Related party transactions

There have been no related party transactions that require disclosure.

24. Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes have in the past been subject to a uniting direction granted by Charity Commission schemes. The objects of the linked charities below are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. However, in respect of Disabled Officer Garden Homes (DOGH) accommodation is for disabled former officers who are married or in a relationship analogous to marriage.

In addition, the Trust holds all allotted shares in Haig Housing Trading Limited (formerly Coming Home Campaign Limited, name changed on 11 June 2019), a limited company (registered in England and Wales 09331680) that carries out trading activities on behalf of the charity. This entity was dormant for the year ended 31 March 2024

A summary of the results of each, which are included in these Financial Statements, are shown below:

	DOGH £'000	Mitchell Flats £'000	Clevedon Homes £'000
Income	128	16	14
Expenditure	(133)	(28)	(32)
(Deficit) / Surplus	(5)	(12)	(18)
Net assets	664	(42)	540

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Notes to the financial statements

25. Statement of Financial Activities – Comparatives

		Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
	Note					
Income from:						
Donations and legacies	4	-	-	23	23	49
Charitable activities	5	-	222	10,574	10,796	10,905
Profit on sale of assets		-	-	874	874	72
Investments		-	9	305	314	96
Other income		-	-	37	37	17
Total income and endowments		<u>-</u>	<u>231</u>	<u>11,813</u>	<u>12,044</u>	<u>11,139</u>
Expenditure on:						
Raising funds		-		47	47	48
Charitable activities		14	304	13,341	13,659	11,857
Total expenditure		<u>14</u>	<u>304</u>	<u>13,388</u>	<u>13,706</u>	<u>11,905</u>
Net gains/(losses) on investments		-	(24)	(222)	(246)	181
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(97)</u>	<u>(1,797)</u>	<u>(1,908)</u>	<u>(585)</u>
Actuarial (losses) on defined benefit pension schemes		-	-	(39)	(39)	(55)
Transfers between funds		-	-	-	-	-
Net movement in funds		<u>(14)</u>	<u>(97)</u>	<u>(1,836)</u>	<u>(1,947)</u>	<u>(640)</u>
Reconciliation of funds:						
Total funds brought forward		553	20,003	69,721	90,277	90,917
Net movement in funds		(14)	(97)	(1,836)	(1,947)	(640)
Total funds carried forward		<u>539</u>	<u>19,906</u>	<u>67,885</u>	<u>88,330</u>	<u>90,277</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

Accounts

Registered number: 06593129
Charity numbers: 1125556 & SC040058

HAIG HOUSING TRUST
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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees

Mr D G Williams (Chair of Trustees)
Ms L M S Locke (Vice Chair of Trustees)
Lt Col I A Vere Nicoll (Resigned 4 November 2022)
Mr J.P. Colborne-Baber
Mr S M Elliott
Mrs S S Fernandes
Mr P Findlay MBE (Resigned 17 June 2022)
Mr A B Weir
Dr M J S Weir
Mr N G White
Mrs N McWhinney
Mrs K Connell
Mr M Carter (Appointed 21 December 2022)
Mr C Thomson-Smith (Appointed 22 March 2023)

Company registered number 06593129

Charity registered numbers 1125556 (England and Wales) and SC040058 (Scotland)

Registered office Mountbarrow House
12 Elizabeth Street
London
SW1W 9RB

Company secretary Michael Robb

Chief executive officer Tim Stockings

Independent auditor Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers Barclays Bank Plc
50 Pall Mall
London SW1A 1QF

Solicitors Trowers & Hamlins LLP
3 Bunhill Row
London EC1Y 8YZ

Senior Leadership Team (SLT) Tim Stockings (Chief Executive)
Michael Robb
William Lindsay
Klara Buzas
Amanda Deakin
Robert Williams

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report and the financial statements of the company for the year ended 31 March 2023

CHAIRMAN'S STATEMENT

The post-Covid recovery has proved challenging for housing and military charities. Inflation at levels not seen since the 1980s has put pressure on Haig's costs and seen many of its beneficiaries struggling financially. Haig has a range of measures to support the most vulnerable, ranging from financial help from its hardship fund to accessing assistance from partner service charities.

The tireless efforts of Haig's staff, led by Tim Stockings and the Senior Leadership Team, along with its robust financial position, allowed Haig to accelerate its investment in its properties through a five-year estate improvement project, replacing roofs, kitchens and bathrooms and, despite a rent freeze in 2022, restrict rent increases to below inflation.

Assisted in part by the Social Housing Decarbonisation Fund, Haig has embarked on an ambitious program of improving the energy efficiency of its least efficient homes, reducing both its carbon footprint and beneficiary's running costs.

Haig's trustees and outstanding staff remain focused on delivering against the strategic objectives of beneficiary focus, quality service and sustainable homes to improve the lives of the Veteran community. In 2023 the board will refresh Haig's strategic plan to ensure that it continues to deliver housing that is fit for the future.

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Charitable Objects and Governing Document

The Charity is governed by its 2019 Memorandum and Articles of Association (MAoA), which outline its objects:

- a. To relieve need, financial hardship, sickness, disability, the effects of wounds, old age or other like condition by the provision of, or assistance with, housing for the following persons in order of priority:
 - I. Members and former members of all ranks and ratings of the Armed Forces of the Crown, whether Regular or Reserve, and their spouses, widows or widowers.
 - II. Former or separated spouses of members or former members of the Armed Forces of the Crown, whether Regular or Reserve, who have dependent children living with them.
 - III. Such persons in a. (ii) above without dependent children.
- b. Such charitable purposes for the benefit of beneficiaries of the Charity as the Trustees decide.

Public Benefit

The Trustees confirm that the Charity's principal activities in support of its MAoA are being delivered effectively and comply with the Charities Act and Charity Commission's guidance.

GOVERNANCE

The Board comprises 13 independent non-executive trustees, who bring a wealth of experience to the charity and are legally responsible for the overall management and control of The Trust. They receive no remuneration for their role and any interests or related party relationships are disclosed in the Register of Interests. All Trustees sign and adhere to Haig's Trustee Code of Conduct.

Recent trustee recruitment conducted by an external agency strengthened Board diversity and targeted key skills identified as being required. New Trustees undertake an induction programme and the Board is kept up to date with developments through regular briefings and training.

The recommendations of the Campbell Tickell governance review in 2020 have been implemented and the Board assesses its performance annually, mindful of the guidance issued by the Charity Commission, and sector bodies.

Trustees met formally (a mix of in-person and on-line) every quarter, delegating specific issues to three sub-committees that report to the full board: Estates, Finance & Risk (FRC) and People. Oversight of the Trust's properties in Scotland is by a local committee, consisting of volunteer members and a beneficiary tenant that met three times. Additionally, there is a Management Committee that meets quarterly comprising the SLT and beneficiaries, allowing for an exchange of information and ensuring that the tenants' voice is heard. The trust is reviewing tenant representation to ensure that beneficiaries voice is heard at the highest level of the charity.

There are three linked charities with similar objects: Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes. The Trust also holds all allotted shares in a dormant limited trading company: Haig Housing Trading Limited, see note 24 to the financial statements.

Remuneration Policy

The Trust's remuneration policy was agreed by the Board in May 2022. Staff roles are benchmarked against a suite of measures with judgment applied to reflect market conditions. The pay award in FY 2022/23 comprised a flat rate increase and an additional lump sum paid later in the year in order to help staff cope with the high cost of living. The scale of UK-wide inflation meant that a full CPI uplift was not possible but additional work was undertaken in order to ensure staff were fairly remunerated.

REVIEW OF ACTIVITIES

Haig maintains c.1500 homes for veterans in 80 communities across the UK, varying in size from around 12 homes up to 345 properties in Morden. Beneficiaries are charged a charitable rent set below market rates. The

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Trust runs a special purchase scheme for disabled veterans under shared ownership agreements. Rental income provides the main source of funds for the Charity.

The 2021 strategic review catalysed a step change in upkeep performance (repairs, maintenance, improvements and sustainability) whilst confirming our Purpose:

Providing quality homes to improve the lives of veterans and their families in need

and Strategic Objectives:

Beneficiary focus
Quality service
Sustainable homes

We work collaboratively with a range of partners (Stoll, Combat Stress, RBL, ABF and SSAFA) to deliver better impact for beneficiaries, many of whom have complex needs that cannot be met by Haig alone. We avoid duplicating services, signposting those who require more help to other sources of support.

We seek to shape Veterans' housing policy in conjunction with the Confederation of Service Charities (Cobseo). The CE co-chairs the housing cluster that helps nationwide co-ordination of veterans' housing. Outreach work with Ministers, MPs, Councillors and the Service Community helps to broaden understanding of Haig.

The sad death of Her Majesty The Queen means that the charity is currently without a Patron; we await a decision on the future of that role.

Our People

People are front and centre for Haig. They are our most important resource, providing services to our beneficiaries and delivering our strategy. We have upskilled our leadership and management teams, invested in systems to provide more effective ways of working and reviewed our head office needs. As a result, we are moving to a more efficient building that we will share with other service charities. We have listened to our people – delivering a Staff Engagement Survey and acting on the results. We are increasing our focus on employee wellbeing, providing an enhanced benefits package and flexible working patterns that better meet the changing demands of both Haig and the individual.

Beneficiary focus

The housing sector is under immense pressure and Haig is not immune from those pressures. We have seen a marked increase in enquiries from those in need and demand outstrips supply by a considerable margin. On average we receive 10 applications for each available property; there is clearly unsatisfied demand for veteran housing. We see better partnership working as key to success.

We are working on streamlining the beneficiary journey into our housing and improving tenant engagement. Annual community visits to meet our beneficiaries throughout the UK are a vital part of our work. We are investing heavily to improve our communications, customer service, access and support, as well as better complaint handling.

We conducted a Tenants Survey this year, the first for a decade, and are working through the implications of the results, including the new Tenant Satisfaction Measures (TSM) that we have voluntarily adopted. We achieved an overall good rating of 79% and view this as a strong baseline from which to improve. We are adjusting key performance metrics to monitor progress.

Quality Service

We increased the number of front-line staff, improved their training and overhauled IT support to enable them to provide greater assistance to beneficiaries who need the most help. We froze rents this year, making a significant and lasting contribution to household budgets at a time of cost-of-living pressures. We also introduced a hardship fund that supplements the annual decoration allowance available to beneficiaries. Our income team works closely with those struggling to make ends meet, putting in place payment plans to ensure that we can sustain tenancies. Taken together this suite of measures clearly demonstrates our charitable purpose and the benefits of living in a Haig home.

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Sustainable Homes

We improved the condition of 372 homes by planned maintenance, improvement and cyclical decoration programme this year. These projects included roof, porch and window replacements, kitchen and bathroom upgrades and redecoration. We also raised over 5,000 repair orders, handled nearly 7,000 phone calls and 12,000 emails. Our post-works satisfaction survey indicated that 89% of our beneficiaries were satisfied with the service they received.

We continue to work on improving customer service, the condition of our properties and making houses warmer, whilst reducing our carbon footprint. We will be more ambitious in 23/24, delivering projects that improve beneficiaries' lives in over 500 homes. We are working towards the target for all social housing to be at EPC C or above by 2030, and where feasible we aim to exceed the standard.

We were successful in our bid to amend the rules for the Social Housing Decarbonisation Fund, subsequently being awarded a grant of £2.6M as part of a wider £10M project to improve the energy performance of 750 homes in England over the next 2 years. We will undertake this work in conjunction with the planned programme of works to drive better sustainability across our communities. We hope that follow on funding will be available in future years to enable us to expand our improvement works. We are engaging with the devolved governments to try to gain access to equivalent funding outside England.

STRATEGIC OUTLOOK

The housing sector faces significant challenges: societal, economic and structural. The overall state of social housing in the UK is poor and there are no quick fixes. The size of investment required is enormous and requires coordinated action between central & local government, public and private sectors. Haig is not immune from those pressures and seeks to balance the short-term plan to improve its properties with long term financial viability and net zero targets. Our size means that we need to work in partnership with others and exploit technology to deliver solutions that suit our operational approach.

Our five-year investment programme is already yielding dividends: happier beneficiaries, improved standards and lower running costs. Our head office is past end of life and so a decision has been made to relocate head office. Doing so allows us to improve our back office functions and connections with other service charities by co-location, as well as providing a potential opportunity to make use of the site, including the possibility of development.

Future plans

Haig's future plans reflect its strategic objectives and purpose, by:

- Increasing spend on maintenance to improve the condition of the estate
- Rationalising and enhancing the estate to make it more sustainable
- Cost effective delivery of better services that reflect beneficiaries' needs
- Robust regulatory compliance and long term financial stability
- Maintaining Haig's reputation as a provider of quality homes for veterans and their families
- Investment in staff and infrastructure in support of the above
- Active participation in the housing, charitable and veterans' sectors.

In doing so, the Trust aims to show the real value of living in a Haig home.

Fundraising and Investments

Fundraising is not a major activity of the Trust (2023 £23k), nor relied upon to fund operations. The Trust does not employ a professional fundraiser and all activities are overseen by the CE. The Charity is registered with the Fundraising Regulator and adheres to the Fundraising Code and good practice, including a commitment to protect vulnerable donors. The Trust complies with GDPR requirements and does not share data for the purposes of fundraising. The Trust received no complaints in relation to fundraising activities during the year.

The Trust's investments of cash and funds are administered by Investec in a way that reflects the Board's objectives and risk appetite: to achieve a 'growth' return with a 'medium' risk profile. They invest principally in investment grade fixed interest securities, 'blue chip' equities and collective funds.

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FINANCIAL REVIEW AND RESULTS

The plan to use resources to improve the condition of our estates resulted in a deficit of £2.1M. Cash reserves will continue to be used to fund the upgrade and maintenance programme.

In line with our decision to freeze rents, income was largely unchanged at £10.8M (last year £10.9M).

Total resources expended were £13.8M (£11.9M). Key items were direct property costs, including: repairs £8.4M (£6.6M); staff £2.7M (£2.5M); support £1.2M (£1.3M) and depreciation £1.3M (£1.3M). Total net assets were £88.2M (£90.3M).

The Trust holds £3.8M (£4.0M) of investments on long term cash deposits and funds with Investec, which manage them on a discretionary basis in accordance with the Investment Policy. The Finance and Risk Committee reviews investment performance quarterly.

Cash at bank was £20.6M (£22.2M), most of which arose from the sale of a large property. £11M of this money and the proceeds of future sales is designated for three main uses: sustainability projects, property acquisition and planned improvements.

RESERVES

Sufficient operating reserves are held to enable the Trust to operate and meet its charitable objects. The amount held is reviewed regularly, with a minimum of three to four months operating expenditure held in cash or other liquid securities that can be realised within 60 days. At 31 Mar 2023, reserves of £6.1M (2022: £9.1M) were held equating to 6 months of cash operating expenses with sufficient Unrestricted Funds to cover distribution of these reserves.

In line with the five-year estate improvement project, £11m of funds have been designated for Sustainability Projects, Property Acquisition and Planned Improvements.

RISK MANAGEMENT

Risk strategy is overseen by Trustees. The FRC reviews the risk register quarterly and reports to Board, who assess policy, performance, appetite and risk register annually. Day to-day management is conducted by the executive with additional assurance provided by internal audit.

Principal Risks

Principal risks arise from operational activities and the wider economic & societal environment, including:

- Achieving sustainable homes at a decent standard becomes unaffordable
- Major incident, compliance or regulatory breach leading to reputational damage
- Regulatory, legal and welfare changes
- Inflationary pressures and contractor performance
- People – ability to recruit, train and retain staff with the right skills & experience

The age of our properties means that many require extra work to keep them habitable and struggle to fit the concept of 'modern living'. We are spending our cash balances to improve the situation and will review our property portfolio to ensure it meets our future needs. Our successful bid for SHDF money has galvanised our efforts to diversify income streams.

Rental income has held up well over a prolonged period of economic challenge. Our investment in our dedicated income team has borne fruit. We deploy a range of measures to sustain tenancies and will continue to work with beneficiaries to keep them in their homes, demonstrating the real benefit of being a charitable landlord. Whilst not complacent, we assess that rental income is as secure as it can be. Reserves, cash balances and investments are in a healthy state, underpinning our operational resilience.

Supply side inflation has impacted on the cost of operations but we have been able to mitigate its worst effects by careful management and control of costs. We keep contractor performance under review and have made changes where necessary. Compliance continues to improve under the oversight of a new management regime.

HAIG HOUSING TRUST
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We see increased appetite by governments, regulators and ombudsman to flex their muscles, principally as a result of media pressure. Whilst we welcome a move to higher standards, some measures are contentious and impact directly on our operations. Whilst not a Registered Provider, we aim to align as closely as possible to the standards mandated for that sector. We will keep a weather eye on legislative changes and adjust our activities accordingly.

Going Concern

The Trust has a robust business model, which has allowed it to weather the combined effects of Covid 19 and the cost-of-living crisis. The financial strength of the Trust is confirmed by the long-term value of its property portfolio. The five-year business plan aims to upgrade properties using cash reserves whilst breaking even on day-to-day activities. The Trust is confident that the plan will be substantially achieved, with potential to extract further value from non-core elements of the property portfolio if necessary.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the auditor

Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor.

So far as each of the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and each of the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the trustees in their capacity as company directors on 28 September 2023 and signed on their behalf by:



Mr D G Williams
Chair of Trustees



Mr J.P. Colborne-Baber
Trustee

HAIG HOUSING TRUST

(A company limited by guarantee)

Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinion

We have audited the financial statements of Haig Housing Trust ('the charitable company') for the year ended 31 March 2023 which comprise of the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 and of 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 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 the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit

HAIG HOUSING TRUST
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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005], together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and Employment legislation.

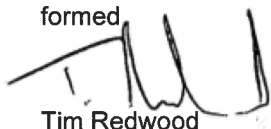
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of repairs and maintenance expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Companies House, OSCR and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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 and 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 29 September 2023

HAIG HOUSING TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

		Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
	Note					
Income from:						
Donations and legacies	4	-	-	23	23	49
Charitable activities	5	-	222	10,574	10,796	10,905
Profit on sale of assets		-	-	874	874	72
Investments		-	9	305	314	96
Other income		-	-	37	37	17
Total income and endowments		<u>-</u>	<u>231</u>	<u>11,813</u>	<u>12,044</u>	<u>11,139</u>
Expenditure on:						
Raising funds		-		47	47	48
Charitable activities	6	14	304	13,341	13,659	11,857
Total expenditure		<u>14</u>	<u>304</u>	<u>13,388</u>	<u>13,706</u>	<u>11,905</u>
Net gains/(losses) on investments		-	(24)	(222)	(246)	181
Net income before other recognised gains		<u>(14)</u>	<u>(97)</u>	<u>(1,797)</u>	<u>(1,908)</u>	<u>(585)</u>
Actuarial (losses) on defined benefit pension schemes		-	-	(39)	(39)	(55)
Transfers between funds		-	-	-	-	-
Net movement in funds		<u>(14)</u>	<u>(97)</u>	<u>(1,836)</u>	<u>(1,947)</u>	<u>(640)</u>
Reconciliation of funds:						
Total funds brought forward		553	20,003	69,721	90,277	90,917
Net movement in funds		(14)	(97)	(1,836)	(1,947)	(640)
Total funds carried forward		<u>539</u>	<u>19,906</u>	<u>67,885</u>	<u>88,330</u>	<u>90,277</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 30 form part of these financial statements.

HAIG HOUSING TRUST
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BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	11	65,924	66,884
Investments	12	3,818	4,022
		<u>69,742</u>	<u>70,906</u>
Current assets			
Debtors	13	367	774
Cash at bank and in hand		20,612	22,157
		<u>20,979</u>	<u>22,931</u>
Creditors: due within one year	14	(2,017)	(3,155)
Net current assets		<u>18,962</u>	<u>19,776</u>
Total assets less current liabilities		<u>88,704</u>	<u>90,682</u>
Defined benefit pension scheme liability	21	(374)	(405)
Total net assets		<u>88,330</u>	<u>90,277</u>
Charity funds			
Endowment funds	15	539	553
Restricted funds	15	19,906	20,003
Unrestricted funds	15	67,885	69,721
Total funds		<u>88,330</u>	<u>90,277</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr D G Williams
Chairman
Date: 28 September 2023



Mr J.P. Colborne-Baber
Trustee

HAIG HOUSING TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	17	(2,009)	593
Cash flows from investing activities			
Dividends, interests and rents from investments		243	96
Proceeds from the sale of tangible fixed assets		1,503	374
Purchase of tangible fixed assets		(1,063)	(632)
Net cash provided by investing activities		683	(162)
Cash flows from financing activities			
Repayments of borrowing		(173)	(175)
Interest payable		(46)	(57)
Net cash used in financing activities		(219)	(232)
Change in cash and cash equivalents in the year		(1,545)	199
Cash and cash equivalents at the beginning of the year		22,157	21,958
Cash and cash equivalents at the end of the year	18	<u>20,612</u>	<u>22,157</u>

The notes on the following pages form part of these financial statements.

HAIG HOUSING TRUST
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Notes to the financial statements

1. General information

Haig Housing Trust is a private company limited by guarantee (registered number 06593129) which is incorporated and domiciled in the UK and meets the definition of a public benefit entity under FRS102. The address of the registered office is Mountbarrow House, 12 Elizabeth Street, London, SW1W 9RB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2.2 Going concern

The Trust has a robust business model, the durability of which has been confirmed during the last two years, despite challenges faced in its operating environment. The financial strength of the Trust is also confirmed by the long term value of its substantial property portfolio.

The Trust has continued to maintain its substantial cash balances. The Trust's five year forecasts indicate that it will continue to maintain a positive cash balance over this period, despite plans to considerably increase expenditure on its property portfolio. The Trustees and Directors are confident that this forecasted five year cash performance will be substantially achieved, and they are aware of the potential to extract further value from non-core elements of the property portfolio if necessary. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

2.3 Income

Income from rental and service charges is recognised in the financial statements in the period to which the rent or service charge relates and entitlement is earned. Investment income is accounted for on an accruals basis.

Donations received are accounted for through the income and expenditure account on a receipts basis. Donated properties are included at their open market value or their existing use value at the date of the donation.

Legacies are recognised in the financial statements only upon the granting of probate provided there is probability of legal entitlement and a reliable estimate can be obtained on notifications received before the year end. Non-performance related grants are accounted for as received.

2.4 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered. Support costs comprise of administration costs and are allocated to the various cost categories on the basis of an estimate of staff time attributable to each activity. Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses and external audit fees.

2.5 Housing Properties

Depreciation is charged to write down the value of freehold housing properties to their estimated residual value on a straight line basis over their remaining expected useful economic lives. No housing properties are shown at a value exceeding their estimated recoverable amount. Impairment losses recognised are shown under operating costs.

Freehold land is not depreciated. Freehold properties are depreciated over 50 – 70 years depending on the property. Leasehold properties are depreciated over the shorter of the term of the lease or their estimated useful life.

HAIG HOUSING TRUST
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Notes to the financial statements

Other Fixed Assets

Assets costing more than £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic life of the assets at the following rates:

Freehold offices	- 2%	50 years
Motor vehicles	- 33%	3 years
Office equipment	- 33%	3 years

2.6 Investments

Investments are stated at market value at the balance sheet date. Gains are calculated based on the movement in market value during the period. The investments in the subsidiary undertakings are stated at deemed cost less impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Financial instruments

Haig Housing Trust 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 amortised cost using the effective interest method.

Financial assets held at cost comprise cash at bank and in hand, together with trade and other debtors (excludes prepayments). Financial liabilities held at cost comprise bank loans and overdrafts, trade and other creditors (excludes rent in advance).

Investments, held as part of an investment portfolio, are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. The value of these assets at 31 March 2023 was £3,818,000 (2022: £4,022,000).

2.11 Pensions

Haig Housing Trust participates in a defined benefit pension scheme (The Pensions Trust Social Housing Pension Scheme) and a defined contribution scheme. Costs in connection with both pension schemes are charged to the Statement of Financial Activities as contributions fall due.

2.12 Fund accounting

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity

Endowment funds

These are restricted funds which must be retained as trust capital, subject to a discretionary power to use this capital for specific purposes.

HAIG HOUSING TRUST
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Notes to the financial statements

Designated funds

These funds have been designated by the trustees for specific purposes. The largest designated fund represents amounts invested in fixed assets for use by the charity.

General fund

The funds are available at any time for the use at the discretion of Trustees for furtherance of the charity's activities and objectives.

3. Critical accounting estimates and areas of judgment

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The areas where judgments and estimates have been made include:

Pensions

The SHPS pension liability is based on the SHPS valuation as at 31 March 2023 and full details of this liability and the underlying assumptions are disclosed in note 21.

Useful economic life of assets

The estimation of the useful economic life of the properties within the portfolio means that depreciation is a judgment.

Impairment

Impairment of the properties is considered annually. In making the judgement management consider the condition and current use of the property, there have been no impairments in the current or prior year.

4. Income from donations and legacies

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Donations	23	23	25
Legacies	-	-	24
	<u>23</u>	<u>23</u>	<u>49</u>

5. Income from charitable activities

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Provision of housing to beneficiaries	<u>222</u>	<u>10,574</u>	<u>10,796</u>	<u>10,905</u>

HAIG HOUSING TRUST
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Notes to the financial statements

6. Analysis of expenditure on charitable activities

Summary by fund type

	Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Provision of housing to beneficiaries	14	304	13,341	13,659

7. Analysis of expenditure by activities

	2023 £000	2022 £000
Staff costs	2,747	2,484
Property repair, serving and management	8,265	6,615
Interest payable	46	57
Bad debt expense	30	55
Return of grant to Help for Heroes and donations paid	75	50
Building depreciation	1,292	1,287
Support Costs	1,204	1,309
	13,659	11,857

Support costs as above include consultancy fees of £15,000, legal and professional fees of £48,000, information technology costs of £257,000, ancillary staff costs of £338,000, telephone expenses of £47,000, depreciation of £97,000 and other costs of £403,000.

8. Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	31	25
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	4	-

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

9. Staff costs

	2023 £000	2022 £000
Wages and salaries	2,353	2,140
Social security costs	245	212
Contribution to defined contribution pension schemes	167	150
	<u>2,765</u>	<u>2,502</u>

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Provision of housing	42	34
Support costs	14	15
	<u>56</u>	<u>49</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	2
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

Several senior staff left the organisation over the year, which affects the above figures.

Employer's pension contributions of £38,129 (2022: £42,206) were paid in respect of these higher paid employees. The total employee benefits of 6 key management personnel of the charity were £586,021 (2022: 9 key management personnel received £704,986).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022: £nil).

During the year ended 31 March 2023, expenses of £1k were reimbursed or paid directly to Trustees (2022: £nil)

HAIG HOUSING TRUST
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Notes to the financial statements

11. Tangible fixed assets

	Housing properties £000	Work in progress £000	Freehold office £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation						
At 1 April 2022	82,031	-	307	18	1,631	83,987
Additions	1,003	-	-	-	59	1062
Disposals	(810)	-	-	-	-	(810)
At 31 March 2023	<u>82,224</u>	<u>-</u>	<u>307</u>	<u>18</u>	<u>1,690</u>	<u>84,239</u>
Depreciation						
At 1 April 2022	15,449	-	150	18	1,486	17,103
Charge for the year	1,292	-	6	-	95	1,393
On disposals	(181)	-	-	-	-	(181)
At 31 March 2023	<u>16,560</u>	<u>-</u>	<u>156</u>	<u>18</u>	<u>1,581</u>	<u>18,315</u>
Net book value						
At 31 March 2023	<u>65,664</u>	<u>-</u>	<u>151</u>	<u>-</u>	<u>109</u>	<u>65,924</u>
At 31 March 2022	<u>66,582</u>	<u>-</u>	<u>157</u>	<u>-</u>	<u>145</u>	<u>66,884</u>

12. Investments

	2023 £000	2022 £000
Market Value at 1 April	4,022	3,813
Additions	76	53
Disposals	(27)	(26)
Gain / (losses) on investments	(253)	182
Market value at 31 March	<u>3,818</u>	<u>4,022</u>
<i>Historic Cost</i>	<u>3,238</u>	<u>3,238</u>

Investments comprise £3.8m under management with Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

13. Debtors

	2023	<i>2022</i>
	£000	<i>£000</i>
Rent debtors	180	210
Prepayments	46	422
Accrued income and other debtors	141	142
	<u>367</u>	<u>774</u>

14. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£000	<i>£000</i>
Bank loans	562	734
Trade creditors	929	292
Other creditors	68	77
Accruals and deferred income	458	2,052
	<u>2,017</u>	<u>3,155</u>

The above includes £373k (2022: £383k) of deferred income which relates to rental income received in advance, the amount brought forward was recognised fully within the year.

Bank loans consist of two fixed rate loans with a rate of 6.8% expiring during 2025/26. The loans are secured on five of the estates owned by Haig Housing Trust. These make up a small proportion of overall housing stock and have a net book value of £6,687,976 at the year end.

HAIG HOUSING TRUST
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Notes to the financial statements

15. Statement of funds – current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers/ Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	46,981	-	(1,343)	243	45,881
Leasehold liability fund	117	-	-	-	117
Sustainability projects fund				7,000	7,000
Property acquisition fund				1,000	1,000
Planned improvements fund				3,000	3,000
Community chest reserve	72			-	72
Pension reserve	(405)	-	70	(39)	(374)
	<u>46,765</u>	<u>-</u>	<u>(1,273)</u>	<u>11,204</u>	<u>56,696</u>
General funds					
General Funds - all funds	22,956	11,813	(12,115)	(11,465)	11,189
Total Unrestricted funds	<u>69,721</u>	<u>11,813</u>	<u>(13,388)</u>	<u>(261)</u>	<u>67,885</u>
Endowment funds					
Permanent Endowment	553	-	(14)	-	539
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,753	107	(90)	-	2,770
Disabled Officer Garden					
Homes	75	115	(129)	-	61
Help for Heroes (coming home)	1,710	-	(75)	-	1,635
Other	104	-	-	-	104
Mrs Willie James Fund	331	9	(10)	(24)	306
	<u>20,003</u>	<u>231</u>	<u>(304)</u>	<u>(24)</u>	<u>19,906</u>
Total of funds	<u>90,277</u>	<u>12,044</u>	<u>(13,706)</u>	<u>(285)</u>	<u>88,330</u>

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Statement of funds –prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers/ Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	48,034	-	(1362)	309	46,981
Leasehold liability fund	117	-	-	-	117
Community chest reserve				72	72
Pension reserve	(436)	-	86	(55)	(405)
	<u>47,715</u>	<u>-</u>	<u>(1,276)</u>	<u>326</u>	<u>46,765</u>
General funds					
General Funds - all funds	22,597	10,903	(10,335)	(209)	22,956
Total Unrestricted funds	<u>70,312</u>	<u>10,903</u>	<u>(11,611)</u>	<u>117</u>	<u>69,721</u>
Endowment funds					
Permanent Endowment	<u>567</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>553</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,728	116	(91)	-	2,753
Disabled Officer Garden Homes	97	115	(137)	-	75
Help for Heroes (coming home)	1,760	-	(50)	-	1,710
Other	104	-	-	-	104
Mrs Willie James Fund	319	5	(2)	9	331
	<u>20,038</u>	<u>236</u>	<u>(280)</u>	<u>9</u>	<u>20,003</u>
Total of funds	<u>90,917</u>	<u>11,139</u>	<u>(11,905)</u>	<u>126</u>	<u>90,277</u>

Permanent Endowment

Relates to properties originally gifted to Disabled Officer Garden Homes.

Restricted Funds / Reserves

Veterans Accommodation Fund

This fund was created with monies from the Ministry of Defence and is to be used to develop /purchase properties in Morden, Scotland, Aldershot and Colchester. At 31 March 2023 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

Colchester Borough Council Fund

This restricted fund was created with monies from Colchester Borough Council to provide affordable homes for ex-service men and women.

Disabled Soldier and Sailors (Hackney) Foundation (DSSHF)

This restricted fund was created on the gift of the assets and liabilities of the above charity to Haig Housing Trust. Further details are included in note 24.

Disabled Officer Garden Homes

This fund (along with the permanent endowment fund) represents funds in respect of Disabled Officer Garden Homes administered by Haig Housing Trust. Further details are included in Note 24.

HAIG HOUSING TRUST
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Notes to the financial statements

Help for Heroes (Coming Home)

These funds comprise amounts donated to provide housing to injured service men and women.

Mrs Willie James Charity

Administered by Haig Housing Trust, the funds are used to support a variety of purposes for needy tenants.

Designated funds / reserves

Fixed asset fund

This represents the net book value of Tangible Fixed Assets held in unrestricted funds which are not available in the short term to fund the Trust's activities. Transfers represent net additions to fixed assets.

Leasehold liability fund

An accumulation fund created to retain funds for the renewal and extension of leases on short and medium term leasehold properties.

Sustainability projects fund

This fund was created in the year to retain funds for planned sustainability improvements to the Trust's existing properties in line with the five-year estate improvement project.

Property acquisition fund

A new fund created in the year to provide for funds in anticipation of future property acquisitions in the coming five years.

Planned improvements fund

A new fund created in the year to provide funds for a range of planned improvements to the Trust's existing property portfolio in line with the five-year estate improvement project.

Pension reserve

This represents funds set aside for the potential future costs arising from the Trust's commitment to the Social Housing Pension Scheme.

Community Chest Reserve

This fund was created to hold individual donations in order to ensure that the amounts donated are subsequently spent on charitable purposes in dedication to these donors.

16. Analysis of net assets between funds – current period

	Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	539	19,061	46,324	65,924
Fixed asset investments	-	288	3,530	3,818
Current assets	-	557	20,422	20,979
Creditors due within one year	-	-	(1,635)	(1,635)
Creditors due in more than one year	-	-	(382)	(382)
Provisions for liabilities and charges	-	-	(374)	(374)
Total	539	19,906	67,885	88,330

HAIG HOUSING TRUST
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Notes to the financial statements

Analysis of net assets between funds - prior period

	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	553	19,061	47,270	66,884
Fixed asset investments	-	305	3,717	4,022
Current assets	-	637	22,294	22,931
Creditors due within one year	-	-	(2,594)	(2,594)
Creditors due in more than one year	-	-	(561)	(561)
Provisions for liabilities and charges	-	-	(405)	(405)
Total	553	20,003	69,721	90,277

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

	2023 £000	2022 £000
Net income for the period (as per Statement of Financial Activities)	(1,662)	(766)
Adjustments for:		
Depreciation charges	1,393	1,412
Dividends, interest and rents from investments	(319)	(96)
Profit on the sale of fixed assets	(874)	(72)
Movement in pension deficit liability	(70)	(103)
(Increase) /Decrease in debtors	407	(466)
(Decrease) in creditors	(930)	637
Interest payable	46	47
Net cash provided by operating activities	(2,009)	593

18. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand	20,612	22,157
Total cash and cash equivalents	20,612	22,157

HAIG HOUSING TRUST
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Notes to the financial statements

19. Analysis of Net Debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	22,157	(1,545)	20,612
Debt due within 1 year	(734)	(172)	(562)
	<u>21,423</u>	<u>(1373)</u>	<u>20,050</u>

20. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

21. Pension commitments

Defined benefit scheme

The Trust participates in the Social Housing Pension Scheme (the scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with the documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. The valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a "last-man standing arrangement". Therefore the Trust is potentially liable for other participating employers' obligations if these employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore the Trust has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it has been possible to obtain sufficient information to enable the Trust to account for the scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2023 to 28 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the Trust's fair share of the Schemes total assets to calculate the Trust's net deficit or surplus.

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Notes to the financial statements

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset

	2023	2022
	(£000s)	(£000s)
Fair value of plan assets	1,672	2,413
Present value of defined benefit obligation	2,046	2,818
Surplus (deficit) in plan	(374)	(405)
Defined benefit asset (liability) to be recognised	(374)	(405)

Reconciliation of opening and closing balances of the defined benefit obligation

	2023	2022
	(£000s)	(£000s)
Defined benefit obligation at start of period	2,818	2,921
Interest and other expenses	79	63
Actuarial losses (gains) due to changes in financial assumptions	(697)	(66)
Benefits paid and expenses	(154)	(100)
Defined benefit obligation at end of period	2,046	2,818

Reconciliation of opening and closing balances of the fair value of plan assets

	2023	2022
	(£000s)	(£000s)
Fair value of plan assets at start of period	2,413	2,485
Interest income	66	52
Losses / gains on plan assets	(736)	(121)
Employer contributions	83	97
Benefits paid and expenses	(154)	(100)
Fair value of plan assets at end of period	1,672	2,413

Reconciliation of opening and closing balances of the fair value of plan assets

Expenses	3	3
Net interest expense	10	8
Defined benefit costs recognised in Statement of Financial Activities	13	11

Defined benefit costs recognised in Statement of Financial Activities

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(736)	(121)
Gains and losses arising on the plan liabilities - gain (loss)	23	(140)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	7	54
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	667	152
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(39)	(55)
Total amount recognised in Other Comprehensive Income - gain (loss)	(39)	(55)

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Notes to the financial statements

<u>Assets</u>	2023 (£000s)	2022 (£000s)
Global Equity	31	463
Absolute Return	18	97
Distressed Opportunities	51	86
Credit Relative Value	63	80
Alternative Risk Prem	3	80
Emerging Markets Debt	9	70
Risk Sharing	123	79
Property	72	65
Insurance linked securities	42	56
Infrastructure	191	172
Private Debt	74	62
Opportunistic Illiquid Credit	72	81
High Yield	6	21
Opportunistic Credit	-	9
Cash	12	8
Corporate Bond Fund	-	161
Currency Hedging	3	(9)
Long Lease Property	50	62
Secured Income	77	90
Liability Driven Investment	771	673
Net Current Assets	4	7
Total assets	1,672	2,413

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by the employer.

Key Assumptions	2023 % per annum	2022 % per annum
Discount Rate	4.90%	2.78%
Inflation (RPI)	3.21%	3.73%
Inflation (CPI)	2.69%	3.26%
Salary Growth	3.69%	4.26%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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Notes to the financial statements

	Life expectancy at age 65
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

22. Operating leases - Lessor

Properties owned by Haig Housing Trust are occupied under various tenancy agreements. The committed rental income generated under these agreements over the next 12 months is estimated to be £ 579,000 (2022 £913,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2023.

23. Related party transactions

There have been no related party transactions that require disclosure.

24. Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes have in the past been subject to a uniting direction granted by Charity Commission schemes. The objects of the linked charities below are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. However, in respect of Disabled Officer Garden Homes (DOGH) accommodation is for disabled former officers who are married or in a relationship analogous to marriage.

In addition, the Trust holds all allotted shares in Haig Housing Trading Limited (formerly Coming Home Campaign Limited, name changed on 11 June 2019), a limited company (registered in England and Wales 09331680) that carries out trading activities on behalf of the charity. This entity was dormant for the year ended 31 March 2023.

A summary of the results of each, which are included in these Financial Statements, are shown below:

	DOGH £'000	Mitchell Flats £'000	Clevedon Homes £'000
Income	115	15	12
Expenditure	(129)	(13)	(20)
(Deficit) / Surplus	(14)	2	(8)
Net assets	669	(30)	558

HAIG HOUSING TRUST
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Notes to the financial statements

25. Statement of Financial Activities – Comparatives

		Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
	Note					
Income from:						
Donations and legacies	4	-	-	49	49	7
Charitable activities	5	-	231	10,674	10,905	10,776
Profit on sale of assets		-	-	72	72	15,982
Investments		-	5	91	96	60
Other income		-	-	17	17	12
Total income and endowments		<u>-</u>	<u>236</u>	<u>10,903</u>	<u>11,139</u>	<u>26,837</u>
Expenditure on:						
Raising funds		-	-	48	48	54
Charitable activities		14	280	11,563	11,857	10,219
Total expenditure		<u>14</u>	<u>280</u>	<u>11,611</u>	<u>11,905</u>	<u>10,273</u>
Net gains/(losses) on investments		-	9	172	181	581
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(35)</u>	<u>(536)</u>	<u>(585)</u>	<u>17,145</u>
Actuarial (losses) on defined benefit pension schemes		-	-	(55)	(55)	(250)
Transfers between funds		-	-	-	-	-
Net movement in funds		<u>(14)</u>	<u>(35)</u>	<u>(591)</u>	<u>(640)</u>	<u>16,895</u>
Reconciliation of funds:						
Total funds brought forward		567	20,038	70,312	90,917	74,022
Net movement in funds		(14)	(35)	(591)	(640)	16,895
Total funds carried forward		<u>553</u>	<u>20,003</u>	<u>69,721</u>	<u>90,277</u>	<u>90,917</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

Accounts

HAIG HOUSING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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HAIG HOUSING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

Mr D G Williams (Chairman)
Lt Col I A Vere Nicoll (Vice Chairman)
Mr J Colborne-Baber
Mr S M Elliott
Mrs S S Fernandes
Mr P Findlay (Resigned 17 June 2022)
Miss M D Green (Resigned 20 July 2021)
Ms L M S Locke
Mr R J Steele (Resigned 8 July 2021)
Mr A B Weir
Dr M J S Weir
Mr N G White
Mrs N McWhinney (Appointed 17 March 2022)
Mrs K Connell (Appointed 17 March 2022)

Company registered number 06593129

Charity registered numbers 1125556 (England and Wales) and SC040058 (Scotland)

Registered office

Alban Dobson House
Green Lane
Morden
Surrey
SM4 5NS

Company secretary Michael Robb

Chief executive officer Tim Stockings

Independent auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

Barclays Bank Plc
50 Pall Mall
London SW1A 1QF

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London EC1Y 8YZ

Senior Leadership team

Tim Stockings (Chief Executive)
Michael Robb (Appointed 21 February 2022)
William Lindsay (Appointed 17 November 2021)
Klara Buzas
Amanda Deakin
Robert Williams (Appointed June 2021)
Rakesh Gulati (Resigned June 2021)
Patrick Horgan (Resigned March 2022)
John Lau (Resigned December 2021)

HAIG HOUSING TRUST
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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and the financial statements of the company for the year ended 31 March 2022

CHAIRMAN'S STATEMENT

Haig's trustees and leadership team remain committed to providing quality homes to improve the lives of veterans and their families, focusing on the three strategic objectives of beneficiary focus, quality service and sustainable homes.

Heightened economic difficulties and inflation levels not seen since the 1980's have increased the pressure on Haig and its beneficiaries. Fortunately, Haig's robust financial position has allowed it to continue to support veterans and their families throughout, including the decision not to increase rents in 2022, and invest in its properties, infrastructure and people.

Despite the restrictions imposed by Covid, the five-year estate improvement project saw roofs, kitchens and bathrooms replaced across a number of estates and the pace of this programme is expected to increase. Haig is also continuing its stock rationalisation programme, disposing of properties that no longer meet beneficiaries' needs and reinvesting in existing and new properties.

Haig has continued to strengthen its links to other military charities (including as Co-Chair of the Cobseo Housing Cluster), focusing on improving the delivery of services to beneficiaries and avoiding duplication of activities.

A new digital and branding strategy was launched in 2021, which once fully rolled-out, will give current and future beneficiaries better access to Haig's services and easier access to key information.

Haig's staff, led by Tim Stocking and his Senior Leadership Team, have worked tirelessly through difficult times, transitioned to new ways of working and consistently rising to new challenges.

As well as the current economic headwinds, the Trustees and Senior Leadership Team are increasingly focused on the challenges of sustainability and an evolving regulatory landscape.

2022 will undoubtedly be a difficult year for many military charities and the Trustees are confident that, with its robust finances and outstanding staff, Haig is well positioned to meet the emerging challenges.

HAIG HOUSING TRUST
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Charitable Objects and Governing Document

The Charity is governed by its 2019 Memorandum and Articles of Association (MAoA), which outline its objects:

- a. To relieve need, financial hardship, sickness, disability, the effects of wounds, old age or other like condition by the provision of, or assistance with, housing for the following persons in order of priority:
 - I. Members and former members of all ranks and ratings of the Armed Forces of the Crown, whether Regular or Reserve, and their spouses, widows or widowers.
 - II. Former or separated spouses of members or former members of the Armed Forces of the Crown, whether Regular or Reserve, who have dependent children living with them.
 - III. Such persons in a. (ii) above without dependent children.
- b. Such charitable purposes for the benefit of beneficiaries of the Charity as the Trustees decide.

Public Benefit

The Trustees assess that the Charity's principal activities in support of its MAoA are being delivered effectively and comply with the Charities Act and Charity Commission's guidance, namely by provision of over 1500 properties for rent by veterans.

Governance

The Board comprises 11 independent non-executives trustees who elect a chair and vice-chair. Trustees are legally responsible for the overall management and control of The Trust and normally meet four times a year. Current Trustees bring a great depth of experience in charity work, housing, the Armed Forces, finance, investments and property. The Trustees receive no remuneration for their role with HHT. Any interests, such as contractual relationships with a related party, must be disclosed to the Board and recorded in the Register of Interests.

Campbell Tickell completed a governance review in January 2020, the recommendations of which have been implemented. The Board assess its effectiveness and performance annually and is mindful of the guidance issued by the Charity Commission, National Housing Federation and the Confederation of Service Charities (Cobseo).

Recent trustee recruitment conducted by an external agency strengthened Board diversity and targeted key skills identified as being required. New Trustees undertake an induction programme and the Board is kept up to date with developments through regular briefings and training. All Trustees sign and agree to adhere to Haig's Trustee Code of Conduct.

Trustees met formally every quarter, delegating specific issues to three sub-committees that report to the full board. Due to Covid 19, Board and sub-committees were mainly held on line:

- Estates Committee
- Finance & Risk Committee (FRC)
- People Committee

Oversight of the Trust's properties in Scotland is by a local committee, consisting of volunteer members from the legal, housing, charity and ex-Service sectors and includes a beneficiary tenant from Scotland. It is chaired by a trustee and met three times.

Additionally, there is a Management Committee that meets quarterly comprising the Senior Leadership Team and beneficiaries, allowing for an exchange of information and ensuring that the tenants' voice is heard at the top of the charity.

HAIG HOUSING TRUST
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Remuneration Policy

The Trust's remuneration policy was agreed by the Board in December 2019. Staff roles are benchmarked against a suite of measures with judgment applied to reflect market conditions. The pay award in 2022 comprised a flat rate increase and additional lump sum paid later in the year in order to help staff cope with the high cost of living. The scale of UK-wide inflation meant that a full CPI uplift was not possible but additional work was undertaken in order to ensure staff were fairly remunerated.

Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes are linked charities with similar objects. In addition, the Trust holds all allotted shares in Haig Housing Trading Limited, a dormant limited trading company; see note 25 to the financial statements.

Investment Policy

The Trust's investments comprise cash and funds administered by professional managers in a discretionary portfolio that reflects the Board's investment objectives and risk appetite. The current objective is to achieve a 'growth' return with a 'medium' risk profile. They invest principally in investment grade fixed interest securities, "blue chip" equities and collective funds.

STRATEGIC REPORT

Haig maintains c.1500 homes for veterans on 60 estates across the UK. The estates vary in size from around 12 homes up to 345 properties in Morden. Beneficiaries are charged a charitable rent that is usually at a considerable discount to market rates. The Trust runs a Special Purchase scheme for disabled veterans under shared ownership agreements.

A strategic review was completed in 2021 that confirmed the Trust's Purpose:

Providing quality homes to improve the lives of veterans and their families in need

In support of The Trust's Purpose, three Strategic Objectives were identified, to deliver:

1. Beneficiary focus
2. Quality service
3. Sustainable homes

Future plans

Haig's future plans reflect its strategic objectives and purpose, by:

- Increasing spend on maintenance to improve the condition of the estate
- Rationalising and enhancing the estate to make it more sustainable
- Cost effective delivery of better services that reflect beneficiaries' needs
- Robust regulatory compliance and long term financial stability
- Maintaining Haig's reputation as a provider of quality homes for veterans and their families
- Investment in staff and infrastructure in support of the above
- Active participation in the housing, charitable and veterans' sectors.

In doing so, the Trust aims to show the real value of living in a Haig home.

The Trust has initiated a significant five-year investment programme to improve and modernise existing stock based on an updated condition survey. This plan will deliver on the ambition to update, rebalance and refresh Haig's offer to beneficiaries, as outlined in the recent strategic review. It is a critical part of the drive to enhance properties and deliver a quality service. The Trust will continue to buy and adapt homes for the wounded as required; demand is expected to be lower than the peak caused by recent conflicts. The Trust will seek to bid for new sources of funding, such as the Social Housing Decarbonisation Fund (SHDF).

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Principal Activities

The Trust's principal activity was providing housing to beneficiaries, the rent from which provides its main income.

Haig works closely with a range of partners in the wider voluntary sector (for example Stoll, Combat Stress, RBL, ABF and SSAFA). By working collaboratively the Trust can deliver more, critical at a time of severe pressure during Covid, as well as imminent challenges around the cost of living. Effort is made to avoid duplicating services, concentrating on beneficiaries' needs that can be addressed through better housing and signposting those who require more help to other sources of support.

The Trust also works in Veterans' housing policy and public affairs. Haig's CE co-chairs The Confederation of Service Charities (Cobseo) Housing Cluster that helps the nationwide effort of co-ordinating a sector-wide approach to veterans housing. Outreach work with Ministers, MPs, Councillors and the Service Community helps to broaden their understanding of Haig.

Haig celebrated its Patron's Platinum Jubilee in June. A number of memorial markers were sited (benches and plaques) but the main focus was to help beneficiaries celebrate by giving every tenant a supermarket voucher. In a year ravaged by Covid, the Trust felt it was important that communities were able to celebrate together and that Her Majesty would be pleased to see our veterans enjoying themselves.

The strategic review catalysed an overhaul of management processes, for example revised operating policies and a robust Business Plan (BP) with delegated budgets, supported by improved delivery in four key areas:

- Estates
- Upkeep
- Customer Service
- People

The Trust has an ambitious five-year improvement programme that will raise property standards across the portfolio, spending considerably more on upkeep (repairs, maintenance, improvements and sustainability), drawing down cash reserves from sale proceeds to supplement income from other sources.

Improved engagement

Better tenant engagement is a priority for the coming years. An ambitious programme of visits to meet our beneficiaries was undertaken to listen to their views. In the last 12 months the Trustees and senior team have visited over 20 estates in all parts of the UK. This effort was supplemented with a brand refresh and new website, the start of a journey to being digitally enabled; traditional methods will need to be retained to maintain inclusion.

A beneficiaries' charter is being written and a tenant survey undertaken to gain feedback and highlight areas for improvement, as well as benchmarking performance against the sector. Beneficiaries serve on the Management Committee, ensuring that their views are represented directly to the top of the organisation.

KPIs are being refined to help measure performance but there is some way to go before these are mature.

People

People are our single most important asset because they deliver Haig's services. They represent years of experience and knowledge in the complex field of veterans' housing. The Trust wants to attract, develop and retain their skills in a highly competitive market. Colleagues face a number of profound challenges and the Trust wants to support them through the impact of Covid 19, cost of living crisis and new ways of working so they can deliver for beneficiaries.

To help lead Haig through this change the executive and management teams have been strengthened, recruiting individuals with the skills needed for the future. Systems and processes are being modernised in order to support these changes. Our culture is changing to build continual improvement that reflects the Strategic Objectives, recognising that it is a multi-year task. Training has improved, complemented by a new HR system and better induction; an appraisal system is in train and the staff benefits package is under review.

The Trust is proud of what it has achieved and is grateful to the staff for their efforts in difficult circumstances.

HAIG HOUSING TRUST
(A company limited by guarantee)

Fundraising Activities

Fundraising is not a major activity of the Trust (2022 £49k) nor relied upon to fund core operations. Income received is through unsolicited voluntary donations or small corporate events. The Trust does not employ a dedicated professional fundraiser or commercial body and all activities are overseen by the CE. The Charity is registered with the Fundraising Regulator and adheres to the Fundraising Code and good practice, including a commitment to protect vulnerable donors. The Trust complies with GDPR requirements and does not share data for the purposes of fundraising with third parties or data sharing schemes. The Trust received no complaints in relation to fundraising activities during the year.

Sector challenges

There are range of issues impacting the sector from which the Trust is not immune. The new team are working to provide solutions to these challenges, albeit many lie beyond Haig's direct control:

- Regulatory and legal changes
- Inflationary pressures – individual and collective
- Post Covid ways of working, including long term health impacts
- Sustainability and the cost of net zero

Value for Money

The Trust continues to maintain and improve its stock through a cyclical plan for its properties. During the year approximately 6,500 separate works were completed, including bathroom and kitchen replacements, external redecorations and upgrading heating systems. Management is focussing on the turnaround of void properties, reducing rent loss and bringing a home to a new beneficiary applicant as quickly as possible. Major work includes:

- New kitchens – Portsmouth, Morden & Enfield
- Roofing – Norwich, Salisbury & Sheffield
- Windows – Liverpool
- Major refurbishment – Southwood Court

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

In line with the plan to use resources to improve the condition of our estates, the Trust generated a deficit of £1M. Cash reserves will be drawn down in the coming years to fund the 5-year improvement programme.

In line with our decision to freeze rents for 2022 to help tenants cope with the cost of living challenges, rental income was largely unchanged at £10.9M (last year £10.8M).

Total resources expended were £11.9M (2021: £10.3M). Key items were direct property costs including repairs of £6.6M (2021: £4.9M); staff costs £2.5M (2021: £2.3M); support costs £1.3M (2021: £1.8M) and depreciation £1.4M (2021: £1.3M). Total capital expenditure was £0.6M (2021: £0.5M). Total net assets were £90.3M (2021: £90.9M).

The Trust holds £4.0 M (2021: £3.8M) of investments on long term cash deposits and as Accumulation Funds with Investec, who manage them on a discretionary basis to provide a balanced return within the ranges set out in the Investment Policy. The Finance and Risk Committee reviews investment performance quarterly.

Cash at bank was £22.1M (2021: £22M), the bulk of which arose from the sale of a substantial property. This money and future years' generation of cash is being earmarked to invest in the five year improvement plan.

The Trust has made full provision for a pension liability of £405k (2021: £436K) in the Social Housing Pension scheme (SHPS – defined benefit) on the basis of the latest actuarial assessment; see note 22 to the financial statements. A strategic review and actuarial evaluation were carried out this year, which confirmed that SHPS remains the correct pension solution.

The majority of the Trust's reserves are represented by investment in its housing properties. The Charity retains the capacity for further borrowing to meet future capital expenditure, growth or stock investment programmes as determined by the Trustees.

HAIG HOUSING TRUST
(A company limited by guarantee)

RESERVES

Sufficient operating reserves are held to enable the Trust to operate and meet its charitable objects. The amount held is reviewed regularly, with a minimum of three to four months operating expenditure held in cash or other liquid securities that can be realised within 60 days. At 31 Mar 2022, reserves equating to 9 months of cash operating expenses were held (£9.1M) with sufficient Unrestricted Funds to cover distribution of these reserves.

Reserves are valued at £90.3M (2021: £90.9M), of which £23.0M represents 'free reserves (£22.6M) comprised of unrestricted funds, less tangible fixed assets, pension reserve and other designated funds. These are expendable at the discretion of the Trustees in furtherance of the charity's objects. The majority of free reserves arose from the recent sale of a large property. In line with its strategic intent to improve the overall condition of its properties, the Board has designated £10M of this money to be spent on estate upkeep over the next five years.

RISK MANAGEMENT

Trustees oversee the formal risk management process, as laid out in policy. The FRC reviews the risk register quarterly, reporting to Board who assess performance, risk appetite and the register annually. Day to day risk management is delivered by the executive. Assurance is also obtained around controls by means of internal audit. The continual improvement process started last year is leading to better performance and enhanced assurance. The Trust has plans to manage and mitigate the risks where possible.

Principal Risks and Uncertainties

Haig assesses its major risks to arise from its operational activities, including:

- Maintenance work does not keep pace with the requirement
- Achieving sustainable homes at a decent standard becomes unaffordable
- Legislation changes and welfare reforms
- Contractor viability and quality of delivery
- Major incident, compliance or regulatory breach

The majority of properties are between 60 and 90 years old, requiring additional maintenance to keep them safe and secure. Although structurally sound, many do not fit the concept of 'modern living' that is increasingly important as beneficiary expectations change. The Trust is assessing how best to address these issues and has decided to spend £10M from its cash balances to increase maintenance levels and property standards. Additional funding from a range of sources will be pursued where practicable to supplement this money.

Rental income, monitored by a dedicated team, has held up well despite Covid 19 and cost of living crisis. Early intervention to develop affordable payment plans is key. The Trust does not underestimate the scale of the challenge and expects next year to be even more challenging.

Regulatory change continues apace and is closely monitored by the executive team to ensure compliance, supported by membership of sector organisations and checked periodically by internal audit. The key development will be the removal of Section 21 no fault evictions, the impact of which is being assessed.

Some contractors have changed to improve the quality of delivery, investing to achieve value for money as part of building long term partnerships.

Reserves, cash balances and investments allows the Trust to weather the storm, as demonstrated by its ability to continue to operate during the unprecedented challenges of the last two years.

GOING CONCERN

The Trust has a robust business model, the durability of which has been confirmed during the last two years, despite challenges faced in its operating environment. The financial strength of the Trust is also confirmed by the increasing long term value of its substantial property portfolio.

The Trust has continued to be cash positive during the last financial year and to maintain its substantial cash balances. The Trusts five year forecasts indicate that it will continue to maintain a positive cash balance over this period, despite plans to considerably increase expenditure on its property portfolio. The Trustees and Directors are confident that this forecasted five year cash performance will be substantially achieved, and they are aware of the potential to extract further value from non-core elements of the property portfolio if necessary.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

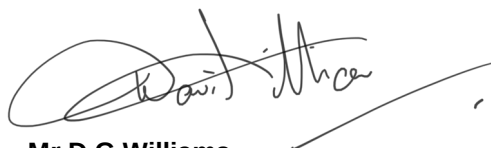
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, including the Strategic Report, was approved by order of the members of the board of Trustees on 29 September 2022 and signed on its behalf by:



Mr D G Williams
Chairman



Lt Col I A Vere Nicoll
Trustee

HAIG HOUSING TRUST

(A company limited by guarantee)

Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinion

We have audited the financial statements of Haig Housing Trust ('the charitable company') for the year ended 31 March 2022 which comprise of the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022 and of 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HAIG HOUSING TRUST

(A company limited by guarantee)

Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 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 the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit

HAIG HOUSING TRUST
(A company limited by guarantee)

Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005], together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and Employment legislation.

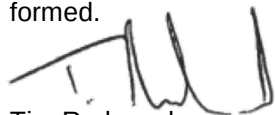
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of repairs and maintenance expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Companies House, OSCR and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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 and 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 11 November 2022

HAIG HOUSING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and legacies	4	-	-	49	49	7
Charitable activities	5	-	231	10,674	10,905	10,776
Profit on sale of assets		-	-	72	72	15,982
Investments		-	5	91	96	60
Other income		-	-	17	17	12
Total income and endowments		<u>-</u>	<u>236</u>	<u>10,903</u>	<u>11,139</u>	<u>26,837</u>
Expenditure on:						
Raising funds		-		48	48	54
Charitable activities	6	14	280	11,563	11,857	10,219
Total expenditure		<u>14</u>	<u>280</u>	<u>11,611</u>	<u>11,905</u>	<u>10,273</u>
Net gains/(losses) on investments		-	9	172	181	581
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(35)</u>	<u>(536)</u>	<u>(585)</u>	<u>17,145</u>
Actuarial (losses) on defined benefit pension schemes		-	-	(55)	(55)	(250)
Transfers between funds		-	-	-	-	-
Net movement in funds		<u>(14)</u>	<u>(35)</u>	<u>(591)</u>	<u>(640)</u>	<u>16,895</u>
Reconciliation of funds:						
Total funds brought forward		567	20,038	70,312	90,917	74,022
Net movement in funds		(14)	(35)	(591)	(640)	16,895
Total funds carried forward		<u>553</u>	<u>20,003</u>	<u>69,721</u>	<u>90,277</u>	<u>90,917</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 30 form part of these financial statements.

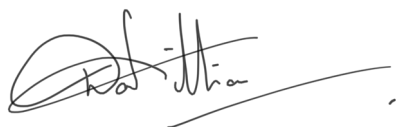
HAIG HOUSING TRUST
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BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	66,884	67,965
Investments	12	4,022	3,813
		<u>70,906</u>	<u>71,778</u>
Current assets			
Debtors	13	774	308
Cash at bank and in hand		22,157	21,958
		<u>22,931</u>	<u>22,266</u>
Creditors: due within one year	14	(2,594)	(1,957)
Net current assets		<u>20,337</u>	<u>20,309</u>
Total assets less current liabilities		<u>91,243</u>	<u>92,087</u>
Creditors: due after one year	15	(561)	(734)
Defined benefit pension scheme liability	22	(405)	(436)
Total net assets		<u><u>90,277</u></u>	<u><u>90,917</u></u>
Charity funds			
Endowment funds	16	553	567
Restricted funds	16	20,003	20,038
Unrestricted funds	16	69,721	70,312
Total funds		<u><u>90,277</u></u>	<u><u>90,917</u></u>

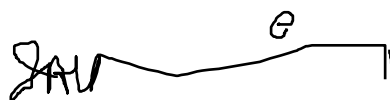
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr D G Williams Chairman

Date: 29th September, 2022.



Lt Col I A Vere Nicoll Trustee

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	18	593	1,800
Cash flows from investing activities			
Dividends, interests and rents from investments		96	18
Proceeds from the sale of tangible fixed assets		374	16,382
Purchase of tangible fixed assets		(632)	(449)
Net cash provided by investing activities		(162)	15,951
Cash flows from financing activities			
Repayments of borrowing		(175)	(160)
Interest payable		(57)	(68)
Net cash used in financing activities		(232)	(228)
Change in cash and cash equivalents in the year		199	17,523
Cash and cash equivalents at the beginning of the year		21,958	4,435
Cash and cash equivalents at the end of the year	19	<u>22,157</u>	<u>21,958</u>

The notes on the following pages form part of these financial statements

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

1. General information

Haig Housing Trust is a private company limited by guarantee (registered number 06593129) which is incorporated and domiciled in the UK and meets the definition of a public benefit entity under FRS102. The address of the registered office is Alban Dobson House, Green Lane, Morden, Surrey, SM4 5NS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2.2 Going concern

The Trust has a robust business model, the durability of which has been confirmed during the last two years, despite challenges faced in its operating environment. The financial strength of the Trust is also confirmed by the increasing long term value of its substantial property portfolio.

The Trust has continued to be cash positive during the last financial year and to maintain its substantial cash balances. The Trusts five year forecasts indicate that it will continue to maintain a positive cash balance over this period, despite plans to considerably increase expenditure on its property portfolio. The Trustees and Directors are confident that this forecasted five year cash performance will be substantially achieved, and they are aware of the potential to extract further value from non-core elements of the property portfolio if necessary. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

2.3 Income

Income from rental and service charges is recognised in the financial statements in the period to which the rent or service charge relates and entitlement is earned. Investment income is accounted for on an accruals basis.

Donations received are accounted for through the income and expenditure account on a receipts basis. Donated properties are included at their open market value or their existing use value at the date of the donation.

Legacies are recognised in the financial statements only upon the granting of probate provided there is probability of legal entitlement and a reliable estimate can be obtained on notifications received before the year end. Non-performance related grants are accounted for as received.

2.4 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered. Support costs comprise of administration costs and are allocated to the various cost categories on the basis of an estimate of staff time attributable to each activity. Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses and external audit fees.

2.5 Housing Properties

Depreciation is charged to write down the value of freehold housing properties to their estimated residual value on a straight line basis over their remaining expected useful economic lives. No housing properties are shown at a value exceeding their estimated recoverable amount. Impairment losses recognised are shown under operating costs.

Freehold land is not depreciated. Freehold properties are depreciated over 50 – 70 years depending on the property. Leasehold properties are depreciated over the shorter of the term of the lease or their estimated useful life.

HAIG HOUSING TRUST
(A company limited by guarantee)

Notes to the financial statements

Other Fixed Assets

Assets costing more than £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic life of the assets at the following rates:

Freehold offices	- 2%	50 years
Motor vehicles	- 33%	3 years
Office equipment	- 33%	3 years

2.6 Investments

Investments are stated at market value at the balance sheet date. Gains are calculated based on the movement in market value during the period. The investments in the subsidiary undertakings are stated at deemed cost less impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Financial instruments

Haig Housing Trust 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 amortised cost using the effective interest method.

Financial assets held at cost comprise cash at bank and in hand, together with trade and other debtors (excludes prepayments). Financial liabilities held at cost comprise bank loans and overdrafts, trade and other creditors (excludes rent in advance).

Investments, held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. The value of these assets at 31 March 2022 was £4,022,000 (2021: £3,813,000).

2.11 Pensions

Haig Housing Trust participates in a defined benefit pension scheme (The Pensions Trust Social Housing Pension Scheme) and a defined contribution scheme. Costs in connection with both pension schemes are charged to the Statement of Financial Activities as contributions fall due.

2.12 Fund accounting

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.

Designated funds

These funds have been designated by the trustees for specific purposes. The largest designated fund represents amounts invested in fixed assets for use by the charity.

HAIG HOUSING TRUST
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Notes to the financial statements

General fund

The funds are available at any time for the use at the discretion of Trustees for furtherance of the charity's activities and objectives.

3. Critical accounting estimates and areas of judgment

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The areas where judgments and estimates have been made include:

Pensions

The SHPS pension liability is based on the SHPS valuation as at 31 March 2022 and full details of this liability and the underlying assumptions are disclosed in note 22.

Useful economic life of assets

The estimation of the useful economic life of the properties within the portfolio means that depreciation is a judgment.

Impairment

Impairment of the properties is considered annually. In making the judgement management consider the condition and current use of the property, there have been no impairments in the current or prior year.

4. Income from donations and legacies

	Unrestricted funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Donations	25	25	7
Legacies	24	24	-
	<u>49</u>	<u>49</u>	<u>7</u>

5. Income from charitable activities

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Provision of housing to beneficiaries	<u>231</u>	<u>10,674</u>	<u>10,905</u>	<u>10,776</u>

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Notes to the financial statements

6. Analysis of expenditure on charitable activities

Summary by fund type

	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Provision of housing to beneficiaries	<u>14</u>	<u>280</u>	<u>11,563</u>	<u>11,857</u>

7. Analysis of expenditure by activities

	2022 £000	<i>2021 £000</i>
Staff costs	2,484	2,164
Property repair, serving and management	6,615	4,937
Interest payable	57	68
Bad debt expense	55	5
Return of grant to Help for Heroes and donations paid	50	--
Building depreciation	1,287	1,284
Support Costs	1,309	1,761
	<u><u>11,857</u></u>	<u><u>10,219</u></u>

Support costs as above include consultancy fees of £56,000, legal and professional fees of £35,000, information technology costs of £256,000, staff costs of £425,000, telephone expenses of £86,000, depreciation of £118,000 and other costs of £333,000.

8. Auditor's remuneration

	2022 £000	<i>2021 £000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	25	21
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	<u><u>-</u></u>	<u><u>3</u></u>

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Notes to the financial statements

9. Staff costs

	2022 £000	<i>2021</i> <i>£000</i>
Wages and salaries	2,140	1,854
Social security costs	212	174
Contribution to defined contribution pension schemes	150	136
	<u>2,502</u>	<u>2,164</u>

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	<i>2021</i> <i>No.</i>
Provision of housing	34	36
Support costs	15	10
	<u>49</u>	<u>46</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	<i>2021</i> <i>No.</i>
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	4
In the band £110,001 - £120,000	1	0

Several senior staff left the organisation over the year, which affects the above figures.

Employer's pension contributions of £42,206 (2021: £32,720) were paid in respect of these higher paid employees. The total employee benefits of 9 key management personnel of the charity were £704,986 (2021: 7 key management personnel received £568,651).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL-).

During the year ended 31 March 2022, no expenses were reimbursed or paid directly to Trustees (2021 – £37k).

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Notes to the financial statements

11. Tangible fixed assets

	Housing properties £000	Work in progress £000	Freehold office £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation						
At 1 April 2021	81,839	-	307	18	1,526	83,690
Additions	523	-	-	-	109	632
Disposals	(331)	-	-	-	(4)	(335)
At 31 March 2022	<u>82,031</u>	<u>-</u>	<u>307</u>	<u>18</u>	<u>1,631</u>	<u>83,987</u>
Depreciation						
At 1 April 2021	14,195	-	144	18	1,368	15,725
Charge for the year	1,287	-	6	-	119	1,412
On disposals	(33)	-	-	-	(1)	(34)
At 31 March 2022	<u>15,449</u>	<u>-</u>	<u>150</u>	<u>18</u>	<u>1,486</u>	<u>17,103</u>
Net book value						
At 31 March 2022	<u><u>66,582</u></u>	<u><u>-</u></u>	<u><u>157</u></u>	<u><u>-</u></u>	<u><u>145</u></u>	<u><u>66,884</u></u>
At 31 March 2021	<u><u>67,644</u></u>	<u><u>-</u></u>	<u><u>163</u></u>	<u><u>-</u></u>	<u><u>158</u></u>	<u><u>67,965</u></u>

12. Investments

	2022 £000	2021 £000
Market Value at 1 April	3,813	3,212
Additions	53	41
Disposals	(26)	(21)
Gain / (losses) on investments	182	581
Market value at 31 March	<u><u>4,022</u></u>	<u><u>3,813</u></u>
<i>Historic Cost</i>	<u><u>3,238</u></u>	<u><u>3,108</u></u>

Investments comprise £4.0m under management with Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

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Notes to the financial statements

13. Debtors

	2022	<i>2021</i>
	£000	<i>£000</i>
Rent debtors	210	149
Prepayments	422	85
Accrued income and other debtors	142	74
	<u>774</u>	<u>308</u>

14. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£000	<i>£000</i>
Bank loans	173	166
Trade creditors	292	125
Other creditors	77	3
Accruals and deferred income	2,052	1,663
	<u>2,594</u>	<u>1,957</u>

The above includes £383k (2021: £383k) of deferred income which relates to rental income received in advance, the amount brought forward was recognised fully within the year.

15. Creditors: Amounts falling due after more than one year

	2022	<i>2021</i>
	£000	<i>£000</i>
Bank loans	<u>561</u>	<u>734</u>

Bank loans consist of two fixed rate loans with a rate of 6.8% expiring during 2025/26. The loans are secured on five of the estates owned by Haig Housing Trust. These make up a small proportion of overall housing stock and have a net book value of £6,721,584 at the year end.

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Notes to the financial statements

16. Statement of funds – current year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	48,034	-	(1362)	309	46,981
Leasehold liability fund	117	-	-	-	117
Community chest reserve				72	72
Pension reserve	(436)	-	86	(55)	(405)
	<u>47,715</u>	<u>-</u>	<u>(1,276)</u>	<u>326</u>	<u>46,765</u>
General funds					
General Funds - all funds	22,597	10,903	(10,335)	(209)	22,956
Total Unrestricted funds	<u>70,312</u>	<u>10,903</u>	<u>(11,611)</u>	<u>117</u>	<u>69,721</u>
Endowment funds					
Permanent Endowment	<u>567</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>553</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,728	116	(91)	-	2,753
Disabled Officer Garden Homes	97	115	(137)	-	75
Help for Heroes (coming home)	1,760	-	(50)	-	1,710
Other	104	-	-	-	104
Mrs Willie James Fund	319	5	(2)	9	331
	<u>20,038</u>	<u>236</u>	<u>(280)</u>	<u>9</u>	<u>20,003</u>
Total of funds	<u>90,917</u>	<u>11,139</u>	<u>(11,905)</u>	<u>126</u>	<u>90,277</u>

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Notes to the financial statements

Statement of funds - prior year

	<i>Balance at 1 April 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2021 £000</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	49,783	-	(1,378)	(371)	48,034
Leasehold liability fund	117	-	-	-	117
Pension reserve	(272)	-	86	(250)	(436)
	<u>49,628</u>	<u>-</u>	<u>(1,292)</u>	<u>(621)</u>	<u>47,715</u>
General funds					
General Funds - all funds	3,709	26,600	(8,642)	930	22,597
Total Unrestricted funds	<u>53,337</u>	<u>26,600</u>	<u>(9,934)</u>	<u>309</u>	<u>70,312</u>
Endowment funds					
Permanent Endowment	<u>581</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>567</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,761	111	(144)	-	2,728
Disabled Officer Garden Homes	68	119	(90)	-	97
Help for Heroes (coming home)	1,835	-	(75)	-	1,760
Gulf War Fund	20	-	(7)	(13)	-
Other	104	-	-	-	104
Mrs Willie James Fund	286	7	(9)	35	319
	<u>20,104</u>	<u>237</u>	<u>(325)</u>	<u>22</u>	<u>20,038</u>
Total of funds	<u>74,022</u>	<u>26,837</u>	<u>(10,273)</u>	<u>331</u>	<u>90,917</u>

Permanent Endowment

Relates to properties originally gifted to Disabled Officer Garden Homes.

Restricted Funds / Reserves

Veterans Accommodation Fund

This fund was created with monies from the Ministry of Defence and is to be used to develop /purchase properties in Morden, Scotland, Aldershot and Colchester. At 31 March 2022 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

Colchester Borough Council Fund

This restricted fund was created with monies from Colchester Borough Council to provide affordable homes for ex-service men and women.

Disabled Soldier and Sailors (Hackney) Foundation (DSSHF)

This restricted fund was created on the gift of the assets and liabilities of the above charity to Haig Housing Trust. Further details are included in note 25.

Disabled Officer Garden Homes

This fund (along with the permanent endowment fund) represents funds in respect of Disabled Officer Garden Homes administered by Haig Housing Trust. Further details are included in Note 25.

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Help for Heroes (Coming Home)

These funds comprise amounts donated to provide housing to injured service men and women.

Mrs Willie James Charity

Administered by Haig Housing Trust, the funds are used to support a variety of purposes for needy tenants.

Designated funds / reserves

Fixed asset fund

This represents the net book value of Tangible Fixed Assets held in unrestricted funds which are not available in the short term to fund the Trust's activities. Transfers represent net additions to fixed assets.

Leasehold liability fund

An accumulation fund created to retain funds for the renewal and extension of leases on short and medium term leasehold properties.

Pension reserve

This represents funds set aside for the potential future costs arising from the Trust's commitment to the Social Housing Pension Scheme.

Community Chest Reserve

This new fund was created during the year to hold individual donations in order to ensure that the amounts donated are subsequently spent on charitable purposes in dedication to these donors.

17. Analysis of net assets between funds – current period

	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	553	19,061	47,270	66,884
Fixed asset investments	-	305	3,717	4,022
Current assets	-	637	22,294	22,931
Creditors due within one year	-	-	(2,594)	(2,594)
Creditors due in more than one year	-	-	(561)	(561)
Provisions for liabilities and charges	-	-	(405)	(405)
Total	553	20,003	69,721	90,277

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Analysis of net assets between funds - prior period

	<i>Endowment funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	567	19,061	48,337	67,965
Fixed asset investments	-	296	3,517	3,813
Current assets	-	681	21,585	22,266
Creditors due within one year	-	-	(1,957)	(1,957)
Creditors due in more than one year	-	-	(734)	(734)
Provisions for liabilities and charges	-	-	(436)	(436)
Total	<u>567</u>	<u>20,038</u>	<u>70,312</u>	<u>90,917</u>

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

	2022 £000	<i>2021 £000</i>
Net income for the period (as per Statement of Financial Activities)	(766)	16,564
Adjustments for:		
Depreciation charges	1,412	1,428
Dividends, interests and rents from investments	(96)	(60)
Profit on the sale of fixed assets	(72)	(15,982)
Movement in pension deficit liability	(103)	(86)
(Increase) /Decrease in debtors	(466)	188
(Decrease) in creditors	637	(320)
Interest payable	47	68
Net cash provided by operating activities	<u>593</u>	<u>1,800</u>

19. Analysis of cash and cash equivalents

	2022 £000	<i>2021 £000</i>
Cash in hand	22,157	21,958
Total cash and cash equivalents	<u>22,157</u>	<u>21,958</u>

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Notes to the financial statements

20. Analysis of Net Debt

	At 1 April 2021 £000	Cash flows £000	At 31 March 2022 £000
Cash at bank and in hand	21,958	199	22,157
Debt due after 1 year	(734)	173	(561)
Debt due within 1 year	(166)	(7)	(173)
	<u>21,058</u>	<u>365</u>	<u>21,423</u>

21. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

22. Pension commitments

Defined benefit scheme

The Trust participates in the Social Housing Pension Scheme (the scheme), a multi- employer scheme which provides benefits to some 500 non-associated employers. The scheme is defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with the documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. The valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a “last-man standing arrangement”. Therefore the Trust is potentially liable for other participating employers’ obligations if these employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore the Trust has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Trust to account for the scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the Trust’s fair share of the Schemes total assets to calculate the Trust’s net deficit or surplus.

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Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset

	2022	2021
	(£000s)	(£000s)
Fair value of plan assets	2,413	2,485
Present value of defined benefit obligation	2,818	2,921
Surplus (deficit) in plan	(405)	(436)
Defined benefit asset (liability) to be recognised	(405)	(436)

Reconciliation of opening and closing balances of the defined benefit obligation

	2022	2021
	(£000s)	(£000s)
Defined benefit obligation at start of period	2921	2635
Interest and other expenses	63	64
Actuarial losses (gains) due to changes in financial assumptions	(66)	457
Benefits paid and expenses	(100)	(235)
Defined benefit obligation at end of period	2,818	2,921

Reconciliation of opening and closing balances of the fair value of plan assets

	2022	2021
	(£000s)	(£000s)
Fair value of plan assets at start of period	2,485	2,363
Interest income	52	55
Losses / gains on plan assets	(121)	207
Employer contributions	97	95
Benefits paid and expenses	(100)	(235)
Fair value of plan assets at end of period	2,413	2,485

Reconciliation of opening and closing balances of the fair value of plan assets

Expenses	3	3
Net interest expense	8	6
Defined benefit costs recognised in Statement of Financial Activities	11	9

Defined benefit costs recognised in Statement of Financial Activities

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(121)	207
Experience gains and losses arising on the plan liabilities - gain (loss)	(140)	66
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	54	(12)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	152	(511)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(55)	(250)
Total amount recognised in Other Comprehensive Income - gain (loss)	(55)	(250)

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Notes to the financial statements

<u>Assets</u>	2022 (£000s)	2021 (£000s)
Global Equity	463	396
Absolute Return	97	137
Distressed Opportunities	86	72
Credit Relative Value	80	78
Alternative Risk Prem	c	94
Emerging Markets Debt	70	100
Risk Sharing	79	90
Property	65	52
Insurance linked securities	56	60
Infrastructure	172	166
Private Debt	62	59
Opportunistic Illiquid Credit	81	63
High Yield	21	74
Opportunistic Credit	9	68
Corporate Bond Fund	161	147
Liquid Credit	-	30
Long Lease Property	62	49
Secured Income	90	103
Liability Driven Investment	673	632
Net Current Assets	7	15
Total assets	2,413	2,485

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by the employer.

Key Assumptions	2022 % per annum	2021 % per annum
Discount Rate	2.78%	2.09%
Inflation (RPI)	3.73%	3.33%
Inflation (CPI)	3.26%	2.84%
Salary Growth	4.26%	3.84%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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Notes to the financial statements

	Life expectancy at age 65
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

23. Operating leases - Lessor

Properties owned by Haig Housing Trust are occupied under various tenancy agreements. The committed rental income generated under these agreements over the next 12 months is estimated to be £913,000 (2021: £913,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2022.

24. Related party transactions

There have been no related party transactions that require disclosure.

25. Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes have in the past been subject to a uniting direction granted by Charity Commission schemes. The objects of the linked charities below are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. However, in respect of Disabled Officer Garden Homes (DOGH) accommodation is for disabled former officers who are married or in a relationship analogous to marriage.

In addition, the Trust holds all allotted shares in Haig Housing Trading Limited (formerly Coming Home Campaign Limited, name changed on 11 June 2019), a limited company (registered in England and Wales 09331680) that carries out trading activities on behalf of the charity. This entity was dormant for the year ended 31 March 2022.

A summary of the results of each are shown below:

	DOGH £'000	Mitchell Flats £'000	Clevedon Homes £'000
Income	115	14	13
Expenditure	(137)	(15)	(26)
(Deficit) / Surplus	(22)	(1)	(13)
Net assets	683	(32)	566

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Notes to the financial statements

26. Statement of Financial Activities – Comparatives

		Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
	Note					
Income from:						
Donations and legacies	4	-	-	7	7	60
Charitable activities	5	-	230	10,546	10,776	10,334
Profit on sale of assets		-	-	15,982	15,982	1,778
Investments		-	7	53	60	89
Other income		-	-	12	12	15
Total income and endowments		<u>-</u>	<u>237</u>	<u>26,600</u>	<u>26,837</u>	<u>12,276</u>
Expenditure on:						
Raising funds		-		54	54	40
Charitable activities	6	14	325	9,86	10,219	9,935
Total expenditure		<u>14</u>	<u>325</u>	<u>9,934</u>	<u>10,273</u>	<u>9,975</u>
Net gains/(losses) on investments		-	35	546	581	(154)
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(53)</u>	<u>17,212</u>	<u>17,145</u>	<u>2,147</u>
Actuarial gains/(losses) on defined benefit pension schemes		-	-	(250)	(250)	386
Transfers between funds		-	(13)	13	-	-
Net movement in funds		<u>(14)</u>	<u>(66)</u>	<u>16,975</u>	<u>16,895</u>	<u>2,533</u>
Reconciliation of funds:						
Total funds brought forward		581	20,104	53,337	74,022	71,489
Net movement in funds		(14)	(66)	16,975	16,895	2,533
Total funds carried forward		<u>567</u>	<u>20,038</u>	<u>70,312</u>	<u>90,917</u>	<u>74,022</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

Accounts

HAIG HOUSING TRUST
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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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HAIG HOUSING TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Mr D G Williams (Chairman) Lt Col I A Vere Nicoll (Vice Chairman) Mr J Colborne-Baber (Appointed 24 September 2020) Mr S M Elliott Mrs S S Fernandes (Appointed 24 June 2020) Mr P Findlay (Appointed 24 June 2020) Miss M D Green (24 June 2020- 20 July 2021) Ms L M S Locke Mr R J Steele (Resigned 8 July 2021) Mr A B Weir Dr M J S Weir Mr N G White
Company registered number	06593129
Charity registered numbers	1125556 (England and Wales) and SC040058 (Scotland)
Registered office	Alban Dobson House Green Lane Morden Surrey SM4 5NS
Company secretary	Patrick Horgan
Chief executive officer	Tim Stockings
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank Plc 50 Pall Mall London SW1A 1QF
Solicitors	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ
Leadership team	Tim Stockings (Chief Executive) (Appointed 1 December 2020) Patrick Horgan John Lau Klara Buzas Amanda Deakin (Appointed 12 October 2020) Rakesh Gulati (Resigned 17 June 2021) James Richardson (Resigned 21 October 2020) Rory Ingleby-Mackenzie (Resigned 31 July 2020)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and the financial statements of the company for the year ended 31 March 2021

CHAIRMAN'S STATEMENT

Despite the considerable challenges faced in managing through the Covid-19 pandemic, Haig Housing Trust continues to deliver its core object of providing housing assistance to the Veteran Community through the provision of charitable rented housing and shared ownership properties throughout the UK and in Jersey. The Trust has continued to rationalise its housing stock, focussing on meeting demand, particularly in London and the South East of England, whilst selling a number of properties which no longer meet the primary charitable objective. The new development of 68 energy efficient homes in Morden have proved popular with beneficiaries and continue to deliver on our desire to improve the quality of our estate.

In January 2020, external consultants, Campbell Tickell, completed a review of Haig's governance and board effectiveness, with particular focus on its alignment with the Charity Governance Code. A programme of enhancements to Haig's governance has now been completed incorporating the review's recommendations.

In 2020, Haig implemented the "Living Rent" approach to its rent setting, which draws on work of the Joseph Rowntree Foundation and the National Housing Federation. Rents are based on the average lower-quartile net income in a region with minor adjustments by property, capped at the Local Housing Allowance. Rent increases are being phased and assistance is available to those tenants whose income and circumstances makes it difficult for them to meet their rent. Those affected are primarily in high income areas where we will continue to offer a substantial rent discount when compared against comparable properties.

Activities in 2021 were significantly impacted by the Covid 19 pandemic. Transition to the new ways of working has gone remarkably well given the scale of the challenge, with remote working becoming the norm, enabled by our new IT system. Where that has not been possible, we have adopted strict social distancing and associated safety measures, following official guidance at all times. We have worked hard to keep people secure at home, providing additional help where possible or signposting other sources of support where appropriate.

There have been slight increases in arrears and voids but the overall picture has been better than feared and well within the Trust's capacity to manage, resulting in a strong financial and operating position. We are not complacent about the longer term economic and societal effects of Covid19, which is factored into our business planning. Core Operating Reserves have remained at, or above, the target range set by the Trustees

In 2020, Haig disposed of a large property in central London, along with a number of smaller properties elsewhere, which were no longer meeting the needs of its beneficiaries. The proceeds of these sales, which have resulted in a large increase in the cash balance, will principally be used over the next 5-7 years to make significant improvements in Haig's stock of properties, make investment in its infrastructure and meet evolving environmental and legislative challenges. This programme of stock rationalisation is expected to continue through the next few years.

Following the retirement of Brigadier James Richardson, in October 2020, the Board appointed Captain Tim Stockings as Haig's Chief Executive. The executive and trustees are currently undertaking a review of Haig's strategy, which will ensure that the needs of its beneficiaries remain at the centre of Haig's activities.

The Trustees are confident that Haig can continue to deliver its core objectives and support its beneficiaries. This is thanks to Haig's leadership team and support staff, whose hard work and dedication through these difficult times has allowed the Trust to meet these challenges.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable Objects

The objects of the Charity for the public benefit, in accordance with its Memorandum and Articles of Association, are:

- a. To relieve need, financial hardship, sickness, disability, the effects of wounds, old age or other like condition by the provision of, or assistance with, housing for the following persons in order of priority:
 - I. Members and former members of all ranks and ratings of the Armed Forces of the Crown, whether Regular or Reserve, and their spouses, widows or widowers.
 - II. Former or separated spouses of members or former members of the Armed Forces of the Crown, whether Regular or Reserve, who have dependent children living with them.
 - III. Such persons in a. (ii) above without dependent children.
- b. Such charitable purposes for the benefit of beneficiaries of the Charity as the Trustees decide.

Governing Document

The Charity is governed by its Memorandum and Articles of Association, which were amended in 2019.

Governing Body

The Board currently consists of 10 independent non-executives trustees who elect a chairman and vice chairman from amongst their number.

The Board assesses its existing and target skills annually and new trustees are recruited against the requirements identified in this assessment. Recent trustee vacancies were widely advertised on charity jobs portals and applicants assessed against objective criteria, including their match to the target skills identified in the annual assessment and the impact on board diversity. All new Trustees are given an induction programme. Trustees are kept up to date with developments through regular bulletins and training where appropriate and the organisation is regularly updated on Trustee governance. All Trustees sign and agree to adhere to Haig's Trustee Code of Conduct.

Following implementation of the recommendations of the independent Governance and Board effectiveness review, the Trust's alignment with the Charity Governance Code has improved markedly.

Organisational Management

Charity Trustees meet formally every quarter and delegate specific issues to the following revised Committees that report to the full board:

- Estates Committee
- Finance & Risk Committee
- People Committee

The day-to-day management of the Trust's properties in Scotland is conducted by a local committee consisting of volunteer members from the legal, housing, charity and ex-Service sectors in Scotland and is chaired by a trustee. The committee meets three times a year and includes a beneficiary tenant from Scotland.

Remuneration Policy

The Trust's remuneration policy was agreed by the Board in December 2019. All staff roles are benchmarked against the Croner compendium of Charitable Salaries. The Board awarded a small 2021 pay rise that reflected the economic situation of Covid-19. No trustees received remuneration for the services in the year.

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Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes are charities linked to the Trust. The objects of these charities are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. In addition, the Trust holds all allotted shares in Haig Housing Trading Limited, a currently dormant limited company that carries out trading activities on behalf of the Trust. Further detail are disclosed in note 25 to the financial statements.

Investment Policy

The Trust's investments are held in cash or managed by professional managers in a discretionary portfolio that reflects the board's investment objectives and risk appetite. The current objective is to achieve a 'growth' return with a 'medium' risk profile. They invest principally in investment grade fixed interest securities, "blue chip" equities and collective funds.

Public Benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing objectives and activities. Haig Housing Trust contributes to the public benefit of the local and national community by relieving the need of veterans of the armed forces and their families resulting from financial hardship, sickness, disability, the effects of wounds, old age or other like condition, primarily by the provision of quality housing.

Fundraising Activities

Fundraising is not a major activity of the Trust (2021: £7k) nor relied upon to fund core operations. Income received is either through unsolicited voluntary donations or corporate events, such as golf days. The Trust does not employ a dedicated professional fundraiser or commercial body and all activities are monitored by the executive team and overseen by the Chief Executive to ensure that potentially vulnerable donors are protected.

The Charity is registered with the Fundraising Regulator and adheres to the Fundraising Code and good practice, including a commitment to protect vulnerable donors. The Trust complies with GDPR requirements and does not share data for the purposes of fundraising with third parties or data sharing schemes. The Trust received no complaints in relation to fundraising activities during the year.

Principal Activities

The principal activity of the Trust during the year was to relieve need, financial hardship, sickness, disability, effects of wounds, old age or other like condition by the provision of assistance with housing for members or former members of the Armed Forces of the Crown, and their dependants.

STRATEGIC REPORT

The Trust provides and maintains 1512 homes for the ex-Service community. These are spread throughout the UK in 80 estates and located in over 50 local authority areas. The estates vary from just 2 homes per location up to 345 housing units of between 1 and 5 bedrooms in Morden. Beneficiaries are charged a charitable rent based on 28% of the average lower-quartile net income in a region, adjusted for variance in each property, and capped at the Local Housing Allowance.

As part of the Trust's Special Purchase scheme, 61 homes have been purchased across the United Kingdom since 2010 for disabled veterans who have suffered life changing injuries, under shared ownership / leasehold agreements. The scheme has enabled 26 of these veterans to purchase Haig's share of their properties; the Trust now has no stake in these homes but monitors the success of the disabled Serviceman should assistance be necessary in the future. The funds these have released have been used for new purchases. Including 8 other disposals, Haig's Special Purchase portfolio now stands at 34. The Trust maintains equity of between 25% and 75% in Shared Ownership homes, charging a modest 3% rent on its retained equity element.

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The Trust maintains a leading role in the ex-Service housing sector. The Chief Executive is Co-Chair of the Cluster of ex-Service housing charities, promoting coordination and cooperation for the benefit of the whole veteran community. The cluster provides practical housing advice to Cobseo and includes representatives of government departments, Local Authorities and transition partners.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The Trust has continued to manage property bought with the aid of the Veterans Accommodation Fund (VAF) Grant in Aldershot and Colchester (35 properties). These properties were designed to form the third stage of a Veteran's pathway in cooperation with other providers but in light of their withdrawal from the scheme, the Trust manages them on a standalone basis.

The Trust continues to maintain and improve its stock through a forward cyclical plan for its properties. During the year approximately 6,500 separate works were completed, including bathroom and kitchen replacements, external redecorations and upgrading heating systems. Management is focussing on the turnaround of void properties, reducing rent loss and bringing a home to a new beneficiary applicant as quickly as possible.

Activities have been necessarily curtailed due to Covid19. The Trust plans to accelerate the upkeep programme in the next year to make up lost ground and to increase investment in property maintenance thereafter. Provision will be made to use cash holdings to finance outstanding work.

The Trust is seeking to improve engagement with tenants in the coming years, with an updated website, digital channels and text messaging. Communications will be modernised and more technology will be deployed to improve customer service. Greater use will be made of data, including from tenant and staff surveys, and presentation of information will be made clearer. Key Performance Indicators are being developed and revised methods to measure and report impact are under development.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Trust generated a surplus of £17.0 Million compared to a surplus of £2.5 Million in 2020/21. The results for the year include surpluses on the disposal of properties no longer meeting the Trusts requirements of £16.0 Million (£1.7 Million in 2020/21). This surplus on property disposals mainly related to sale of the Trusts site of St Marks Court, St Johns Wood, London in September 2020 which generated a Surplus of £15.9 Million.

Rents and related income increased from £10.3 Million to £10.8 Million due partly to the increase in the number of properties and increases in rents charged.

Total resources expended amounted to £10.4 Million (2019/20 £10.0 Million). Key items were direct property costs including repairs of £4.9 Million; staff costs £2.3 Million; support costs of £1.8 Million and depreciation of £1.3 Million. Total capital expenditure in 2020/21 was £0.4 Million (2019/20 1.8 Million).

The Trust holds £3.8 Million of investments. Of this, £517K is held on long term cash deposits and the remainder as Accumulation Funds (with professional investment managers, Investec) to provide a balanced financial return to the Charity.

The Finance and Risk Committee has responsibility for reviewing the performance of the investments against various benchmarks and the stock market in general. Investec manage these Accumulation Funds on a discretionary basis, within the ranges set out in the Trusts Investment Policy. Values have generally recovered from the low point reached during the Covid-19 pandemic.

Cash at bank was £22.0 Million at the year end, compared to £4.4 Million at 31 March 2020. The increase is substantially due to the £16.0 Million surplus arising on the disposal of St Marks Court, as mentioned above. The cash reserves and future years' generation of cash is being earmarked to invest in the improvement of the housing stock.

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The Trust has made full provision for a pension liability of £436K in relation to its participation in the Social Housing Pension scheme (SHPS) on the basis of the latest actuarial assessment of this liability at 31 March 2021. The SHPS scheme is a defined benefit scheme and further details are disclosed in note 22 to the financial statements.

Total net assets were £90.9 Million compared to £74.0 Million in 2019/20, the increase once again being due to the surplus arising on the disposal of St Marks Court.

The majority of the Trust's reserves are represented by investment in its housing properties. The Charity retains the capacity for further borrowing to meet future capital expenditure, growth or stock investment programmes as determined by the Trustees.

EDI STATEMENT

Haig Housing Trust (the "Trust") recognises the value of diversity and is committed to an environment of inclusion where we and our beneficiaries benefit from the inherent value in embracing peoples differences. As an organisation we encourage a variety of perspectives and a diversity of workforce that reflects society and the communities that we operate in to enable us to make better decisions and fulfil our responsibilities to the ex-service people we are here to support.

We are committed to operating as an organisation that is diverse, inclusive, and provides equality of opportunity for all, where we celebrate difference and value everyone.

The Trust believes that our employees, beneficiaries, trustees, partners, contributors and all individuals are entitled to be treated with dignity and respect, free from unlawful discrimination on the grounds of race, sex, pregnancy and maternity, marital or civil partnership status, gender reassignment, disability, religion or beliefs, age or sexual orientation.

We are dedicated to encouraging and fostering a culture where employees can be authentically themselves, perform at their best and reach their full potential.

The Trust aims to promote access to the housing and ancillary services provided by the Trust in a safe and welcoming environment, free from discrimination and prejudice.

RISK MANAGEMENT

The Trustees have a formal risk management process to assess risks and implement risk management strategies. A full risk assessment is carried out periodically by the Trustees: risks are identified and assessed for impact and probability. Trustees monitor plans annually and major risks quarterly to provide assurance that risk management and internal controls are effective, proportionate and realistic, as well as reflecting real world events and operating environment.

Day to day risk management is delegated to the executive who are responsible for enacting the Trustees' intent. The risk register and associated controls have been comprehensively re-evaluated this year. A number of changes to procedures have been made that improve visibility of risks and allow effective prioritisation of actions. A process of continual improvement has been started that will, in time, feed through to more effective outcomes and provide enhanced management assurance.

In common with other landlords, Haig assesses its major potential risks to arise from its operational activities of owning and maintain properties, including:

- Rental income stability – managed proactively by a dedicated team, as well as being tracked on a monthly basis, with early intervention to help tenants in difficulty. Rental income has held up well despite the economic difficulties associated with Covid 19.
- Legislation and welfare changes – the biggest changes in the regulatory regime stem from post-Grenfell initiatives, whilst modifications to Universal Credit can affect tenants' ability to pay. The Trust does not anticipate a significant negative impact from these measures.

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- Contractors (viability and service delivery) – Haig maintains close working relationships with its contractors and intends to improve the quality of delivery, investing to achieve value for money as part of building long term partnerships. The risk is therefore assessed as manageable.
- unexpected costs and incidents (including potential litigation) – last year has shown that the unexpected can, and often does, occur. Haig's approach to operational reserves, cash balances and investments means that the charity is able to weather the storm, as demonstrated by our ability to continue to operate during lockdown

Additional risks, costs and disruption associated with Covid 19 have been assessed and the Trust confirms that it has sufficient liquidity and capacity to continue to provide its beneficiaries with the support and services they need. The Trust takes measures to mitigate its exposure to such risks and is confident that it has the resources necessary to manage issues as they arise. Without being complacent, the Trust is confident that the experience gained during a difficult year leaves it well placed to manage potential future risks and issues.

RESERVES

Reserves are held to ensure that the Trust can maintain its operations and continue to meet its charitable objects. Reserve levels are designed to be dynamic, regularly reviewed and responsive to internal and external changes. Trustees have set a current target reserve of three-four months of budgeted operating expenditure, to be held in cash or other liquid securities which can be realised within 60 days. As at 31 March 2021, reserves equating to 8 months of budgeted cash operating expenses were held, being £6.7m. The Trust's policy is to hold sufficient Unrestricted Funds on its balance sheet to cover any distribution of these reserves. The Trust's reserves, currently valued at approximately £91m (2020: £74m), of which £21.7m represents free reserves (2020: £3.7m), comprise unrestricted funds, less tangible fixed assets. These are expendable at the discretion of the Trustees in furtherance of the charity's objects.

FUTURE PLANS

It is clear that there is considerable catching up required to recover from the impact of Covid 19, as well as improving the overall condition of the Trust's housing stock and addressing sustainability issues. The Trustees have initiated a significant five year investment programme to improve and modernise existing stock; a condition survey is underway to identify and prioritise this work. The Trust has major ambitions to update, rebalance and refresh its offer to beneficiaries in order to provide modern homes that they can be proud of and reflect their service to their country. Details are being worked out in a strategic review, due to report in late summer 2021, that will determine future priorities for the Trust, and outline spending intentions.

Alongside work on its current portfolio, the Trust continues to seek opportunities to rationalise its estate, including the disposal of properties no longer meeting beneficiary needs. It has sold a non-core property in St John's Wood and will re-invest the funds in its current estate, whilst also seizing opportunities to acquire other properties where appropriate. The Trust will continue to buy and adapt homes for the wounded as they exit the injury and care pathway. Assistance will continue to be needed, albeit at lower demand than the peak of the recent conflicts.

GOING CONCERN

As detailed in the financial commentary in the Trustees' Annual Report the Trustees, having reviewed the charity's activities and financial position, consider the going concern basis of accounting to be appropriate. This judgement was made in light of a reforecast centred on a number of scenarios around the financial impact of COVID19 revising our plans and putting a contingency framework in place to manage potential future uncertainty on the longer term financial impacts of the pandemic.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

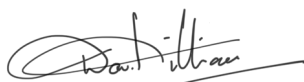
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, including the Strategic Report, was approved by order of the members of the board of Trustees on 23 September 2021 and signed on its behalf by:



Mr D G Williams
Chairman



Lt Col I A Vere Nicoll
Trustee

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

Opinion

We have audited the financial statements of Haig Housing Trust ('the charitable company') for the year ended 31 March 2021 which comprise of the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust
Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 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 the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit

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Independent Auditor's Report to the Members and the Trustees of Haig Housing Trust

procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005], together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of repairs and maintenance expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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 and 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 19 November 2021

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and legacies	4	-	-	7	7	60
Charitable activities	5	-	230	10,546	10,776	10,334
Profit on sale of assets		-	-	15,982	15,982	1,778
Investments		-	7	53	60	89
Other income		-	-	12	12	15
Total income and endowments		<u>-</u>	<u>237</u>	<u>26,600</u>	<u>26,837</u>	<u>12,276</u>
Expenditure on:						
Raising funds		-		54	54	40
Charitable activities	6	14	325	9,880	10,219	9,935
Total expenditure		<u>14</u>	<u>325</u>	<u>9,934</u>	<u>10,273</u>	<u>9,975</u>
Net gains/(losses) on investments		-	35	546	581	(154)
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(53)</u>	<u>17,212</u>	<u>17,145</u>	<u>2,147</u>
Actuarial (losses)/gains on defined benefit pension schemes		-	-	(250)	(250)	386
Transfers between funds		-	(13)	13	-	-
Net movement in funds		<u>(14)</u>	<u>(66)</u>	<u>16,975</u>	<u>16,895</u>	<u>2,533</u>
Reconciliation of funds:						
Total funds brought forward		581	20,104	53,337	74,022	71,489
Net movement in funds		(14)	(66)	16,975	16,895	2,533
Total funds carried forward		<u>567</u>	<u>20,038</u>	<u>70,312</u>	<u>90,917</u>	<u>74,022</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 34 form part of these financial statements.

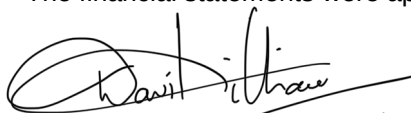
HAIG HOUSING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06593129

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	11	67,965	69,344
Investments	12	3,813	3,212
		71,778	72,556
Current assets			
Debtors	13	308	496
Cash at bank and in hand		21,958	4,435
		22,266	4,931
Creditors: due within one year	14	(1,957)	(2,293)
Net current assets		20,309	2,638
Total assets less current liabilities		92,087	75,194
Creditors: due after one year	15	(734)	(900)
Defined benefit pension scheme liability	22	(436)	(272)
Total net assets		<u>90,917</u>	<u>74,022</u>
Charity funds			
Endowment funds	16	567	581
Restricted funds	16	20,038	20,104
Unrestricted funds	16	70,312	53,337
Total funds		<u>90,917</u>	<u>74,022</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr D G Williams Chairman
Date: 23 September 2021



Lt Col I A Vere Nicoll Trustee

HAIG HOUSING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	18	1,800	994
Cash flows from investing activities			
Dividends, interests and rents from investments		18	78
Proceeds from the sale of tangible fixed assets		16,382	2,354
Purchase of tangible fixed assets		(449)	(1,841)
Net cash provided by investing activities		15,951	591
Cash flows from financing activities			
Repayments of borrowing		(160)	(154)
Interest payable		(68)	(79)
Net cash used in financing activities		(228)	(233)
Change in cash and cash equivalents in the year		17,523	1,352
Cash and cash equivalents at the beginning of the year		4,435	3,083
Cash and cash equivalents at the end of the year	19	<u>21,958</u>	<u>4,435</u>

The notes on pages 15 to 34 form part of these financial statements

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Haig Housing Trust is a private company limited by guarantee (registered number 06593129) which is incorporated and domiciled in the UK and meets the definition of a public benefit entity under FRS102. The address of the registered office is Alban Dobson House, Green Lane, Morden, Surrey, SM4 5NS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Haig Housing Trust 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.

2.2 Going concern

Having reviewed the financial position, the Trustees consider the going concern basis of accounting to be appropriate. This judgement was made in light of a reforecast centred on a number of scenarios around the financial impact of COVID-19 revising our plans and putting a contingency framework in place to manage potential future uncertainty on the longer term financial impacts of the pandemic. Therefore the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

2.3 Income

Income from rental and service charges is recognised in the financial statements in the period to which the rent or service charge relates and entitlement is earned.

Investment income is accounted for on an accruals basis

Donations received are accounted for through the income and expenditure account on a receipts basis.

Donated properties are included at their open market value or their existing use value at the date of the donation.

Non-performance related grants are accounted for as receivable.

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2.4 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Support costs comprise of administration costs and are allocated to the various cost categories on the basis of an estimate of staff time attributable to each activity.

Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses and external audit fees.

2.5 Tangible fixed assets and depreciation

Housing Properties

Depreciation is charged to write down the value of freehold housing properties to their estimated residual value on a straight line basis over their remaining expected useful economic lives. No housing properties are shown at a value exceeding their estimated recoverable amount. Impairment losses recognised are shown under operating costs.

Freehold land is not depreciated.

Freehold properties are depreciated over 50 – 70 years depending on the property.

Leasehold properties are depreciated over the shorter of the term of the lease or their estimated useful life.

Other Fixed Assets

Assets costing more than £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic life of the assets at the following rates:

Depreciation is provided on the following basis:

Freehold offices	- 2%	50 years
Motor vehicles	- 33%	3 years
Office equipment	- 33%	3 years

2.6 Investments

Investments are stated at market value at the balance sheet date. Gains are calculated based on the movement in market value during the period. The investments in the subsidiary undertakings are stated at deemed cost less impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Financial instruments

Haig Housing Trust 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 amortised cost using the effective interest method.

Financial assets held at cost comprise cash at bank and in hand, together with trade and other debtors (excludes prepayments). Financial liabilities held at cost comprise bank loans and overdrafts, trade and other creditors (excludes rent in advance).

Investments, held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. The value of these assets at 31 March 2021 was £3,212,000 (2020: £2,863,000).

2.11 Pensions

Haig Housing Trust participates in a defined benefit pension scheme (The Pensions Trust Social Housing Pension Scheme) and a defined contribution scheme. Costs in connection with both pension schemes are charged to the Statement of Financial Activities as contributions fall due.

2.12 Fund accounting

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.

Designated funds

These funds have been designated by the trustees for specific purposes. The largest designated fund represents amounts invested in fixed assets for use by the charity.

General fund

The funds are available at any time for the use at the discretion of Trustees for furtherance of the charity's activities and objectives.

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Critical accounting estimates and areas of judgment

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The areas where judgments and estimates have been made include:

Pensions

The SHPS pension liability is based on the SHPS valuation as at 31 March 2021 and full details of this liability and the underlying assumptions are disclosed in note 22.

Useful economic life of assets

The estimation of the useful economic life of the properties within the portfolio means that depreciation is a judgment.

Impairment

Impairment of the properties is considered annually. In making the judgement management consider the condition and current use of the property, there have been no impairments in the current or prior year.

4. Income from donations and legacies

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Donations	7	7	59
Legacies	-	-	-
Grants	-	-	1
	<u>7</u>	<u>7</u>	<u>60</u>

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Income from charitable activities

	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Provision of housing to beneficiaries	<u>230</u>	<u>10,546</u>	<u>10,776</u>	<u>10,334</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000
Provision of housing to beneficiaries	<u>14</u>	<u>325</u>	<u>9,880</u>	<u>10,219</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Provision of housing to beneficiaries	<u>10,219</u>	<u>10,219</u>	<u>9,935</u>
<i>Total 2020</i>	<u>9,935</u>	<u>9,935</u>	

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities (continued)

	Total funds 2021	<i>Total funds 2020</i>
	£000	<i>£000</i>
Staff costs	2,164	2,359
Property repair, serving and management	4,937	4,629
Interest payable	68	79
Bad debt expense	5	221
Return of grant to Help for Heroes	--	150
Building depreciation	1,284	1,140
Support costs	1,761	1,357
	<u>10,219</u>	<u>9,935</u>

Support costs as above includes consultancy fees of £597,000, legal and professional fees of £63,000, information technology costs of £299,000, staff costs of £214,000, telephone expenses of £111,000, depreciation of £130,000 and other costs of £347,000.

8. Auditor's remuneration

	2021 £000	<i>2020 £000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	21	<i>20</i>
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	<u>3</u>	<u><i>3</i></u>

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	1,854	1,908
Social security costs	174	248
Contribution to defined contribution pension schemes	136	203
	<u>2,164</u>	<u>2,359</u>

The average number of persons employed by the Charity during the year was as follows:

	2021	<i>2020</i>
	No.	<i>No.</i>
Provision of housing	36	37
Support costs	10	11
	<u>46</u>	<u>48</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	4	2
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	-	1

Employer's pension contributions of £32,720 (2020: £30,300) were paid in respect of these higher paid employees. The total employee benefits of 7 key management personnel of the charity were £568,651 (2020: 5 key management personnel £588,116). The previous Chief Executive resigned during the year and was replaced after a short gap.

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL-).

During the year ended 31 March 2021, expenses totalling £37 were reimbursed or paid directly to Trustees (2020 – £3,500).

11. Tangible fixed assets

	Housing properties £000	Work in progress £000	Freehold office £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation						
At 1 April 2020	81,969	-	307	18	1,445	83,739
Additions	368	-	-	-	81	449
Disposals	(498)	-	-	-	-	(498)
At 31 March 2021	81,839	-	307	18	1,526	83,690
Depreciation						
At 1 April 2020	13,008	-	138	18	1,230	14,394
Charge for the year	1,284	-	6	-	138	1,428
On disposals	(97)	-	-	-	-	(97)
At 31 March 2021	14,195	-	144	18	1,368	15,725
Net book value						
At 31 March 2021	<u>67,644</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>158</u>	<u>67,965</u>
At 31 March 2020	<u>68,961</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>215</u>	<u>69,344</u>

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Investments

	2021 £000	2020 £000
Market Value at 1 April	3,212	3,363
Additions	41	52
Disposals	(21)	(22)
Gain / (losses) on investments	581	(181)
Market value at 31 March	<u><u>3,813</u></u>	<u><u>3,212</u></u>
<i>Historic Cost</i>	<u><u>3,108</u></u>	<u><u>3,061</u></u>

Investments include a £0.5m long term cash deposit with the Royal Bank of Scotland and £3.3m under management by Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

13. Debtors

	2021 £000	2020 £000
Rent debtors	149	110
Prepayments	85	359
Accrued income and other debtors	74	27
	<u><u>308</u></u>	<u><u>496</u></u>

14. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank loans	166	160
Trade creditors	125	571
Other creditors	3	32
Accruals and deferred income	1,663	1,530
	<u><u>1,957</u></u>	<u><u>2,293</u></u>

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Bank loans	<u>734</u>	<u>900</u>

Bank loans consist of two fixed rate loans with a rate of 6.8% expiring during 2025/26. The loans are secured on five of the estates owned by Haig Housing Trust. These make up a small proportion of overall housing stock and have a net book value of £6,755,360 at the year end.

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
Unrestricted funds					
Designated funds					
Fixed asset fund	49,783	-	(1,378)	(371)	48,034
Leasehold liability fund	117	-	-	-	117
Pension reserve	(272)	-	86	(250)	(436)
	<u>49,628</u>	<u>-</u>	<u>(1,292)</u>	<u>(621)</u>	<u>47,715</u>
General funds					
General Funds - all funds	3,709	26,600	(8,642)	930	22,597
Total Unrestricted funds	<u>53,337</u>	<u>26,600</u>	<u>(9,934)</u>	<u>309</u>	<u>70,312</u>
Endowment funds					
Permanent Endowment	<u>581</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>567</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,761	111	(144)	-	2,728
Disabled Officer Garden					
Homes	68	119	(90)	-	97
Help for Heroes (coming home)	1,835	-	(75)	-	1,760
Gulf War Fund	20	-	(7)	(13)	-
Other	104	-	-	-	104
Mrs Willie James Fund	286	7	(9)	35	319
	<u>20,104</u>	<u>237</u>	<u>(325)</u>	<u>22</u>	<u>20,038</u>
Total of funds	<u>74,022</u>	<u>26,837</u>	<u>(10,273)</u>	<u>331</u>	<u>90,917</u>

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2020 £000</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	49,327	-	(1,306)	1,762	49,783
Leasehold liability fund	117	-	-	-	117
Pension reserve	(733)	-	75	386	(272)
	<u>48,711</u>	<u>-</u>	<u>(1,231)</u>	<u>2,148</u>	<u>49,628</u>
General funds					
General Funds - all funds	1,897	12,074	(8,384)	(1,878)	3,709
Total Unrestricted funds	<u>50,608</u>	<u>12,074</u>	<u>(9,615)</u>	<u>270</u>	<u>53,337</u>
Endowment funds					
Permanent Endowment	<u>609</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>	<u>581</u>
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,784	79	(102)	-	2,761
Disabled Officer Garden					
Homes	38	115	(85)	-	68
Help for Heroes (coming home)	1,985	-	(150)	-	1,835
Gulf War Fund	20	-	-	-	20
Other	104	-	-	-	104
Mrs Willie James Fund	311	9	(9)	(25)	286
	<u>20,272</u>	<u>203</u>	<u>(346)</u>	<u>(25)</u>	<u>20,104</u>
Total of funds	<u>71,489</u>	<u>12,277</u>	<u>(9,975)</u>	<u>231</u>	<u>74,022</u>

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Statement of funds (continued)

Permanent Endowment

Relates to properties originally gifted to Disabled Officer Garden Homes.

Restricted Funds / Reserves

Veterans Accommodation Fund

This fund was created with monies from the Ministry of Defence and is to be used to develop /purchase properties in Morden, Scotland, Aldershot and Colchester. At 31 March 2021 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

Colchester Borough Council Fund

This restricted fund was created with monies from Colchester Borough Council to provide affordable homes for ex-service men and women.

Disabled Soldier and Sailors (Hackney) Foundation (DSSHF)

This restricted fund was created on the gift of the assets and liabilities of the above charity to Haig Housing Trust. Further details are included in note 25.

Disabled Officer Garden Homes

This fund (along with the permanent endowment fund) represents funds in respect of Disabled Officer Garden Homes administered by Haig Housing Trust. Further details are included in Note 25.

Gulf War Fund

This fund comprised amounts donated to assist the badly injured from the first Gulf War. During the year, the trustees decided that this fund should be wound up and therefore the remaining balance of this fund has been transferred to general funds.

Help for Heroes (Coming Home)

These funds comprise amounts donated to provide housing to injured service men and women.

Mrs Willie James Charity

Administered by Haig Housing Trust, the funds are used to support a variety of purposes for needy tenants.

Designated funds / reserves

Fixed asset fund

This represents the net book value of Tangible Fixed Assets held in unrestricted funds which are not available in the short term to fund the Trust's activities. Transfers represent net additions to fixed assets.

Leasehold liability fund

An accumulation fund created to retain funds for the renewal and extension of leases on short and medium term leasehold properties.

Pension reserve

This represents funds set aside for the potential future costs arising from the Trust's commitment to the Social Housing Pension Scheme.

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	567	19,061	48,337	67,965
Fixed asset investments	-	296	3,517	3,813
Current assets	-	681	21,585	22,266
Creditors due within one year	-	-	(1,957)	(1,957)
Creditors due in more than one year	-	-	(734)	(734)
Provisions for liabilities and charges	-	-	(436)	(436)
Total	567	20,038	70,312	90,917

Analysis of net assets between funds - prior period

	<i>Endowment funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	581	19,061	49,702	69,344
Fixed asset investments	-	261	2,951	3,212
Current assets	-	782	4,149	4,931
Creditors due within one year	-	-	(2,293)	(2,293)
Creditors due in more than one year	-	-	(900)	(900)
Provisions for liabilities and charges	-	-	(272)	(272)
Total	581	20,104	53,337	74,022

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021 £000	2020 £000
Net income for the period (as per Statement of Financial Activities)	16,564	2,301
Adjustments for:		
Depreciation charges	1,428	1,308
Dividends, interests and rents from investments	(60)	(82)
Profit on the sale of fixed assets	(15,982)	(1,778)
Movement in pension deficit liability	(86)	-
Decrease in debtors	188	230
(Decrease) in creditors	(320)	(1,064)
Interest payable	68	79
Net cash provided by operating activities	<u><u>1,800</u></u>	<u><u>994</u></u>

19. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	21,958	4,435
Total cash and cash equivalents	<u><u>21,958</u></u>	<u><u>4,435</u></u>

20. Analysis of Net Debt

	At 1 April 2020 £000	Cash flows £000	At 31 March 2021 £000
Cash at bank and in hand	4,435	17,523	21,958
Debt due after 1 year	(900)	166	(734)
Debt due within 1 year	(160)	(6)	(166)
	<u><u>3,375</u></u>	<u><u>17,683</u></u>	<u><u>21,058</u></u>

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Capital commitments

	2021	2020
	£000	£000
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

22. Pension commitments

Defined benefit scheme

Haig Housing Trust participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

Overview of the whole scheme

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

For financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, an actuarial valuation for the scheme were carried out at 31 March 2021 and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

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22. Pension commitments (continued)

<u>Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset</u>	2021	2020
	(£000s)	(£000s)
Fair value of plan assets	2,485	2,363
Present value of defined benefit obligation	2,921	2,635
Surplus (deficit) in plan	(436)	(272)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(436)	(272)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021	2020
	(£000s)	(£000s)
Defined benefit obligation at start of period	2635	3,117
Expenses	3	3
Interest expense	61	69
Actuarial losses (gains) due to scheme experience	(66)	(114)
Actuarial losses (gains) due to changes in demographic assumptions	12	(30)
Actuarial losses (gains) due to changes in financial assumptions	511	(308)
Benefits paid and expenses	(235)	(102)
Defined benefit obligation at end of period	2,921	2,635

Reconciliation of opening and closing balances of the fair value of plan assets

	2021	2020
	2,363	2,384
Fair value of plan assets at start of period	2,363	2,384
Interest income	55	54
Experience on plan assets (excludes amounts included in interest income)	207	(66)
Employer contributions	95	93
Benefits paid and expenses	(235)	(102)
Fair value of plan assets at end of period	2,485	2,363

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Reconciliation of opening and closing balances of the fair value of plan assets

Expenses	3	3
Net interest expense	6	6
Defined benefit costs recognised in Statement of Financial Activities	9	9

Defined benefit costs recognised in Statement of Financial Activities

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	207	207
Experience gains and losses arising on the plan liabilities - gain (loss)	66	66
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(12)	(12)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(511)	(511)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(250)	(250)
Total amount recognised in Other Comprehensive Income - gain (loss)	(250)	(250)

Assets

	2021 (£000s)	2020 (£000s)
Global Equity	396	396
Absolute Return	137	137
Distressed Opportunities	72	72
Credit Relative Value	78	78
Alternative Risk Premia	94	94
Emerging Markets Debt	100	100
Risk Sharing	90	90
Property	52	52
Infrastructure	166	166
Private Debt	59	59
Opportunistic Illiquid Credit	63	63
High Yield	74	74
Opportunistic Credit	68	68
Corporate Bond Fund	147	147

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Liquid Credit	30	30
Long Lease Property	49	49
Secured Income	103	103
Liability Driven Investment	632	632
Net Current Assets	15	15
Total assets	2,485	2,485

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by the employer.

Key Assumptions

	2021 % per annum	2020 % per annum
Discount Rate	2.09%	2.41%
Inflation (RPI)	3.33%	2.68%
Inflation (CPI)	2.84%	1.68%
Salary Growth	3.84%	2.68%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**Life expectancy
at age 65**

Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2040	22.9
Female retiring in 2040	25.1

23. Operating leases - Lessor

Properties owned by Haig Housing Trust are occupied under various tenancy agreements. The committed rental income generated under these agreements over the next 12 months is estimated to be £913,000 (2020: £1,302,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2021.

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24. Related party transactions

There have been no related party transactions that require disclosure.

25. Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes have in the past been subject to a uniting direction granted by Charity Commission schemes. The objects of the linked charities below are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. However, in respect of Disabled Officer Garden Homes (DOGH) accommodation is for disabled former officers who are married or in a relationship analogous to marriage.

In addition, the Trust holds all allotted shares in Haig Housing Trading Limited (formerly Coming Home Campaign Limited, name changed on 11 June 2019), a limited company (registered in England and Wales 09331680) that carries out trading activities on behalf of the charity. This entity was dormant for the year ended 31 March 2021.

A summary of the results of each are shown below:

	DOGH	Mitchell	Clevedon
	£'000	Flats	Homes
		£'000	£'000
Income	119	14	10
Expenditure	(89)	(13)	(20)
(Deficit) / Surplus	30	1	(10)
Net assets	705	(31)	579

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26. Statement of Financial Activities – Comparatives

	Note	Endowment funds 2020 £000	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and legacies	4	-	-	60	60	815
Charitable activities	5	-	203	10,131	10,334	9,702
Profit on sale of assets		-	-	1,778	1,778	449
Investments		-	-	89	89	94
Other income		-	-	15	15	29
Total income and endowments		<u>-</u>	<u>203</u>	<u>12,073</u>	<u>12,276</u>	<u>11,089</u>
Expenditure on:						
Raising funds		-	-	40	40	139
Charitable activities	6	14	346	9,575	9,935	9,730
Total expenditure		<u>14</u>	<u>346</u>	<u>9,615</u>	<u>9,975</u>	<u>9,869</u>
Net gains/(losses) on investments		-	(25)	(129)	(154)	188
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(168)</u>	<u>2,329</u>	<u>2,147</u>	<u>1,408</u>
Actuarial gains/(losses) on defined benefit pension schemes		-	-	386	386	(253)
Transfers between funds		(14)		14		
Net movement in funds		<u>(28)</u>	<u>(168)</u>	<u>2,729</u>	<u>2,533</u>	<u>1,155</u>
Reconciliation of funds:						
Total funds brought forward		609	20,272	50,608	71,489	70,334
Net movement in funds		(28)	(168)	2,729	2,533	1,155
Total funds carried forward		<u>581</u>	<u>20,104</u>	<u>53,337</u>	<u>74,022</u>	<u>71,489</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.