

**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**

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**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**

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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.

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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.

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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.

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## **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.

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**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.



**HAIG HOUSING TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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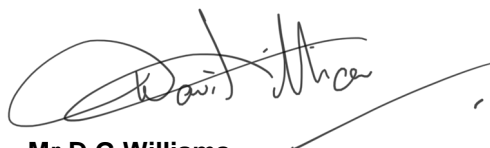
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted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

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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](http://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.

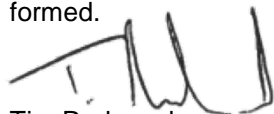
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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.



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**

		<b>Endowment funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
	<b>Note</b>					
<b>Income from:</b>						
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
<b>Total income and endowments</b>		<u>-</u>	<u>236</u>	<u>10,903</u>	<u>11,139</u>	<u>26,837</u>
<b>Expenditure on:</b>						
Raising funds		-		48	48	54
Charitable activities	6	14	280	11,563	11,857	10,219
<b>Total expenditure</b>		<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
<b>Net movement in funds before other recognised gains</b>		<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		-	-	-	-	-
<b>Net movement in funds</b>		<u>(14)</u>	<u>(35)</u>	<u>(591)</u>	<u>(640)</u>	<u>16,895</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		567	20,038	70,312	90,917	74,022
Net movement in funds		(14)	(35)	(591)	(640)	16,895
<b>Total funds carried forward</b>		<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.

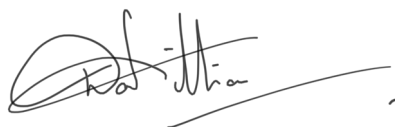
**HAIG HOUSING TRUST**  
(A company limited by guarantee)

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	11	66,884	67,965
Investments	12	4,022	3,813
		<u>70,906</u>	<u>71,778</u>
<b>Current assets</b>			
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)
<b>Net current assets</b>		<u>20,337</u>	<u>20,309</u>
<b>Total assets less current liabilities</b>		<u>91,243</u>	<u>92,087</u>
Creditors: due after one year	15	(561)	(734)
Defined benefit pension scheme liability	22	(405)	(436)
<b>Total net assets</b>		<u><u>90,277</u></u>	<u><u>90,917</u></u>
<b>Charity funds</b>			
Endowment funds	16	553	567
Restricted funds	16	20,003	20,038
Unrestricted funds	16	69,721	70,312
<b>Total funds</b>		<u><u>90,277</u></u>	<u><u>90,917</u></u>

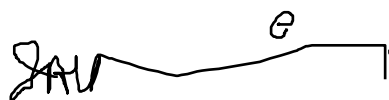
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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



Mr D G Williams Chairman

Date: 29<sup>th</sup> September, 2022.



Lt Col I A Vere Nicoll Trustee

**HAIG HOUSING TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**

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

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**  
(A company limited by guarantee)

**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**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<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**

	<b>Restricted funds 2022 £000</b>	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<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>

**HAIG HOUSING TRUST**  
(A company limited by guarantee)

**Notes to the financial statements**

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

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

**7. Analysis of expenditure by activities**

	<b>2022 £000</b>	<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**

	<b>2022 £000</b>	<i>2021 £000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<b>25</b>	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>

**HAIG HOUSING TRUST**  
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**Notes to the financial statements**

**9. Staff costs**

	<b>2022</b> <b>£000</b>	<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><b>2,502</b></u>	<u><b>2,164</b></u>

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

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

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

	<b>2022</b> <b>No.</b>	<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).

**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
<b>Cost or valuation</b>						
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>
<b>Depreciation</b>						
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>
<b>Net book value</b>						
At 31 March 2022	<u>66,582</u>	<u>-</u>	<u>157</u>	<u>-</u>	<u>145</u>	<u>66,884</u>
At 31 March 2021	<u>67,644</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>158</u>	<u>67,965</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
<b>Market value at 31 March</b>	<u>4,022</u>	<u>3,813</u>
<i>Historic Cost</i>	<u>3,238</u>	<u>3,108</u>

Investments comprise £4.0m 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**

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

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

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

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**

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

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.

**HAIG HOUSING TRUST**  
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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
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General Funds - all funds	22,597	10,903	(10,335)	(209)	22,956
<b>Total Unrestricted funds</b>	<u>70,312</u>	<u>10,903</u>	<u>(11,611)</u>	<u>117</u>	<u>69,721</u>
<b>Endowment funds</b>					
Permanent Endowment	<u>567</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>553</u>
<b>Restricted funds</b>					
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>
<b>Total of funds</b>	<u>90,917</u>	<u>11,139</u>	<u>(11,905)</u>	<u>126</u>	<u>90,277</u>

**HAIG HOUSING TRUST**  
(A company limited by guarantee)

**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>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General Funds - all funds	3,709	26,600	(8,642)	930	22,597
<b>Total Unrestricted funds</b>	<u>53,337</u>	<u>26,600</u>	<u>(9,934)</u>	<u>309</u>	<u>70,312</u>
<b>Endowment funds</b>					
Permanent Endowment	<u>581</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>567</u>
<b>Restricted funds</b>					
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>
<b>Total of funds</b>	<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.



**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.

*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**

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

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**Notes to the financial statements**

**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	<b>67,965</b>
Fixed asset investments	-	296	3,517	<b>3,813</b>
Current assets	-	681	21,585	<b>22,266</b>
Creditors due within one year	-	-	(1,957)	<b>(1,957)</b>
Creditors due in more than one year	-	-	(734)	<b>(734)</b>
Provisions for liabilities and charges	-	-	(436)	<b>(436)</b>
<b>Total</b>	<u>567</u>	<u>20,038</u>	<u>70,312</u>	<u><b>90,917</b></u>

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

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

**19. Analysis of cash and cash equivalents**

	<b>2022 £000</b>	<i>2021 £000</i>
Cash in hand	<b>22,157</b>	<b>21,958</b>
<b>Total cash and cash equivalents</b>	<u><b>22,157</b></u>	<u><b>21,958</b></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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**Notes to the financial statements**

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

	<b>2022</b>	<b>2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
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**

	<b>2022</b>	<b>2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
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)
<b>Defined benefit obligation at end of period</b>	<b>2,818</b>	<b>2,921</b>

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

	<b>2022</b>	<b>2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
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)
<b>Fair value of plan assets at end of period</b>	<b>2,413</b>	<b>2,485</b>

**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	<b>11</b>	<b>9</b>

**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)
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>(55)</b>	<b>(250)</b>

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**Notes to the financial statements**

<b><u>Assets</u></b>	<b>2022 (£000s)</b>	<b>2021 (£000s)</b>
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
<b>Total assets</b>	<b>2,413</b>	<b>2,485</b>

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.

<b>Key Assumptions</b>	<b>2022 % per annum</b>	<b>2021 % per annum</b>
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**

	<b>Life expectancy at age 65</b>
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:

	<b>DOGH £'000</b>	<b>Mitchell Flats £'000</b>	<b>Clevedon Homes £'000</b>
<b>Income</b>	115	14	13
<b>Expenditure</b>	(137)	(15)	(26)
<b>(Deficit) / Surplus</b>	<b>(22)</b>	<b>(1)</b>	<b>(13)</b>
<b>Net assets</b>	<b>683</b>	<b>(32)</b>	<b>566</b>

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**Notes to the financial statements**

**26. Statement of Financial Activities – Comparatives**

		<b>Endowment funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
	<b>Note</b>					
<b>Income from:</b>						
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
<b>Total income and endowments</b>		<u>-</u>	<u>237</u>	<u>26,600</u>	<u>26,837</u>	<u>12,276</u>
<b>Expenditure on:</b>						
Raising funds		-		54	54	40
Charitable activities	6	14	325	9,86	10,219	9,935
<b>Total expenditure</b>		<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)
<b>Net movement in funds before other recognised gains</b>		<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	-	-
<b>Net movement in funds</b>		<u>(14)</u>	<u>(66)</u>	<u>16,975</u>	<u>16,895</u>	<u>2,533</u>
<b>Reconciliation of funds:</b>						
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
<b>Total funds carried forward</b>		<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.