

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 2023

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2
Statement of Trustees' responsibilities	8
Independent auditor's report on the financial statements	9
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 30

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 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

HAIG HOUSING TRUST
(A company limited by guarantee)

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.

HAIG HOUSING TRUST
(A company limited by guarantee)

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

HAIG HOUSING TRUST
(A company limited by guarantee)

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.

HAIG HOUSING TRUST
(A company limited by guarantee)

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.

HAIG HOUSING TRUST
(A company limited by guarantee)

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
(A company limited by guarantee)

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.

HAIG HOUSING TRUST
(A company limited by guarantee)

**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.

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.

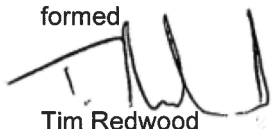
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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: 29 September 2023

HAIG HOUSING TRUST
(A company limited by guarantee)

**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
(A company limited by guarantee)

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
(A company limited by guarantee)

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
(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 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
(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 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
(A company limited by guarantee)

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	<u>13,659</u>

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
	<u>13,659</u>	<u>11,857</u>

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	<u>4</u>	<u>-</u>

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
(A company limited by guarantee)

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
(A company limited by guarantee)

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
(A company limited by guarantee)

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
(A company limited by guarantee)

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
(A company limited by guarantee)

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.

HAIG HOUSING TRUST
(A company limited by guarantee)

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)

HAIG HOUSING TRUST
(A company limited by guarantee)

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

HAIG HOUSING TRUST
(A company limited by guarantee)

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
(A company limited by guarantee)

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.

