

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 2021

HAIG HOUSING TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Mr D G Williams (Chairman) Lt Col I A Vere Nicoll (Vice Chairman) Mr J Colborne-Baber (Appointed 24 September 2020) Mr S M Elliott Mrs S S Fernandes (Appointed 24 June 2020) Mr P Findlay (Appointed 24 June 2020) Miss M D Green (24 June 2020- 20 July 2021) Ms L M S Locke Mr R J Steele (Resigned 8 July 2021) Mr A B Weir Dr M J S Weir Mr N G White
Company registered number	06593129
Charity registered numbers	1125556 (England and Wales) and SC040058 (Scotland)
Registered office	Alban Dobson House Green Lane Morden Surrey SM4 5NS
Company secretary	Patrick Horgan
Chief executive officer	Tim Stockings
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank Plc 50 Pall Mall London SW1A 1QF
Solicitors	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
Leadership team	Tim Stockings (Chief Executive) (Appointed 1 December 2020) Patrick Horgan John Lau Klara Buzas Amanda Deakin (Appointed 12 October 2020) Rakesh Gulati (Resigned 17 June 2021) James Richardson (Resigned 21 October 2020) Rory Ingleby-Mackenzie (Resigned 31 July 2020)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and the financial statements of the company for the year ended 31 March 2021

CHAIRMAN'S STATEMENT

Despite the considerable challenges faced in managing through the Covid-19 pandemic, Haig Housing Trust continues to deliver its core object of providing housing assistance to the Veteran Community through the provision of charitable rented housing and shared ownership properties throughout the UK and in Jersey. The Trust has continued to rationalise its housing stock, focussing on meeting demand, particularly in London and the South East of England, whilst selling a number of properties which no longer meet the primary charitable objective. The new development of 68 energy efficient homes in Morden have proved popular with beneficiaries and continue to deliver on our desire to improve the quality of our estate.

In January 2020, external consultants, Campbell Tickell, completed a review of Haig's governance and board effectiveness, with particular focus on its alignment with the Charity Governance Code. A programme of enhancements to Haig's governance has now been completed incorporating the review's recommendations.

In 2020, Haig implemented the "Living Rent" approach to its rent setting, which draws on work of the Joseph Rowntree Foundation and the National Housing Federation. Rents are based on the average lower-quartile net income in a region with minor adjustments by property, capped at the Local Housing Allowance. Rent increases are being phased and assistance is available to those tenants whose income and circumstances makes it difficult for them to meet their rent. Those affected are primarily in high income areas where we will continue to offer a substantial rent discount when compared against comparable properties.

Activities in 2021 were significantly impacted by the Covid 19 pandemic. Transition to the new ways of working has gone remarkably well given the scale of the challenge, with remote working becoming the norm, enabled by our new IT system. Where that has not been possible, we have adopted strict social distancing and associated safety measures, following official guidance at all times. We have worked hard to keep people secure at home, providing additional help where possible or signposting other sources of support where appropriate.

There have been slight increases in arrears and voids but the overall picture has been better than feared and well within the Trust's capacity to manage, resulting in a strong financial and operating position. We are not complacent about the longer term economic and societal effects of Covid19, which is factored into our business planning. Core Operating Reserves have remained at, or above, the target range set by the Trustees

In 2020, Haig disposed of a large property in central London, along with a number of smaller properties elsewhere, which were no longer meeting the needs of its beneficiaries. The proceeds of these sales, which have resulted in a large increase in the cash balance, will principally be used over the next 5-7 years to make significant improvements in Haig's stock of properties, make investment in its infrastructure and meet evolving environmental and legislative challenges. This programme of stock rationalisation is expected to continue through the next few years.

Following the retirement of Brigadier James Richardson, in October 2020, the Board appointed Captain Tim Stockings as Haig's Chief Executive. The executive and trustees are currently undertaking a review of Haig's strategy, which will ensure that the needs of its beneficiaries remain at the centre of Haig's activities.

The Trustees are confident that Haig can continue to deliver its core objectives and support its beneficiaries. This is thanks to Haig's leadership team and support staff, whose hard work and dedication through these difficult times has allowed the Trust to meet these challenges.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable Objects

The objects of the Charity for the public benefit, in accordance with its Memorandum and Articles of Association, are:

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

Governing Document

The Charity is governed by its Memorandum and Articles of Association, which were amended in 2019.

Governing Body

The Board currently consists of 10 independent non-executives trustees who elect a chairman and vice chairman from amongst their number.

The Board assesses its existing and target skills annually and new trustees are recruited against the requirements identified in this assessment. Recent trustee vacancies were widely advertised on charity jobs portals and applicants assessed against objective criteria, including their match to the target skills identified in the annual assessment and the impact on board diversity. All new Trustees are given an induction programme. Trustees are kept up to date with developments through regular bulletins and training where appropriate and the organisation is regularly updated on Trustee governance. All Trustees sign and agree to adhere to Haig's Trustee Code of Conduct.

Following implementation of the recommendations of the independent Governance and Board effectiveness review, the Trust's alignment with the Charity Governance Code has improved markedly.

Organisational Management

Charity Trustees meet formally every quarter and delegate specific issues to the following revised Committees that report to the full board:

- Estates Committee
- Finance & Risk Committee
- People Committee

The day-to-day management of the Trust's properties in Scotland is conducted by a local committee consisting of volunteer members from the legal, housing, charity and ex-Service sectors in Scotland and is chaired by a trustee. The committee meets three times a year and includes a beneficiary tenant from Scotland.

Remuneration Policy

The Trust's remuneration policy was agreed by the Board in December 2019. All staff roles are benchmarked against the Croner compendium of Charitable Salaries. The Board awarded a small 2021 pay rise that reflected the economic situation of Covid-19. No trustees received remuneration for the services in the year.

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Linked charities and subsidiaries

Disabled Officer Garden Homes, Mitchell Flats and Clevedon Homes are charities linked to the Trust. The objects of these charities are generally the provision of housing accommodation for people in need, hardship or distress with preference given to ex-service men and women and other charitable purposes for the benefit of the residents as the trustees shall decide. In addition, the Trust holds all allotted shares in Haig Housing Trading Limited, a currently dormant limited company that carries out trading activities on behalf of the Trust. Further detail are disclosed in note 25 to the financial statements.

Investment Policy

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

Public Benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing objectives and activities. Haig Housing Trust contributes to the public benefit of the local and national community by relieving the need of veterans of the armed forces and their families resulting from financial hardship, sickness, disability, the effects of wounds, old age or other like condition, primarily by the provision of quality housing.

Fundraising Activities

Fundraising is not a major activity of the Trust (2021: £7k) nor relied upon to fund core operations. Income received is either through unsolicited voluntary donations or corporate events, such as golf days. The Trust does not employ a dedicated professional fundraiser or commercial body and all activities are monitored by the executive team and overseen by the Chief Executive to ensure that potentially vulnerable donors are protected.

The Charity is registered with the Fundraising Regulator and adheres to the Fundraising Code and good practice, including a commitment to protect vulnerable donors. The Trust complies with GDPR requirements and does not share data for the purposes of fundraising with third parties or data sharing schemes. The Trust received no complaints in relation to fundraising activities during the year.

Principal Activities

The principal activity of the Trust during the year was to relieve need, financial hardship, sickness, disability, effects of wounds, old age or other like condition by the provision of assistance with housing for members or former members of the Armed Forces of the Crown, and their dependants.

STRATEGIC REPORT

The Trust provides and maintains 1512 homes for the ex-Service community. These are spread throughout the UK in 80 estates and located in over 50 local authority areas. The estates vary from just 2 homes per location up to 345 housing units of between 1 and 5 bedrooms in Morden. Beneficiaries are charged a charitable rent based on 28% of the average lower-quartile net income in a region, adjusted for variance in each property, and capped at the Local Housing Allowance.

As part of the Trust's Special Purchase scheme, 61 homes have been purchased across the United Kingdom since 2010 for disabled veterans who have suffered life changing injuries, under shared ownership / leasehold agreements. The scheme has enabled 26 of these veterans to purchase Haig's share of their properties; the Trust now has no stake in these homes but monitors the success of the disabled Serviceman should assistance be necessary in the future. The funds these have released have been used for new purchases. Including 8 other disposals, Haig's Special Purchase portfolio now stands at 34. The Trust maintains equity of between 25% and 75% in Shared Ownership homes, charging a modest 3% rent on its retained equity element.

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The Trust maintains a leading role in the ex-Service housing sector. The Chief Executive is Co-Chair of the Cluster of ex-Service housing charities, promoting coordination and cooperation for the benefit of the whole veteran community. The cluster provides practical housing advice to Cobseo and includes representatives of government departments, Local Authorities and transition partners.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The Trust has continued to manage property bought with the aid of the Veterans Accommodation Fund (VAF) Grant in Aldershot and Colchester (35 properties). These properties were designed to form the third stage of a Veteran's pathway in cooperation with other providers but in light of their withdrawal from the scheme, the Trust manages them on a standalone basis.

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

Activities have been necessarily curtailed due to Covid19. The Trust plans to accelerate the upkeep programme in the next year to make up lost ground and to increase investment in property maintenance thereafter. Provision will be made to use cash holdings to finance outstanding work.

The Trust is seeking to improve engagement with tenants in the coming years, with an updated website, digital channels and text messaging. Communications will be modernised and more technology will be deployed to improve customer service. Greater use will be made of data, including from tenant and staff surveys, and presentation of information will be made clearer. Key Performance Indicators are being developed and revised methods to measure and report impact are under development.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Trust generated a surplus of £17.0 Million compared to a surplus of £2.5 Million in 2020/21. The results for the year include surpluses on the disposal of properties no longer meeting the Trusts requirements of £16.0 Million (£1.7 Million in 2020/21). This surplus on property disposals mainly related to sale of the Trusts site of St Marks Court, St Johns Wood, London in September 2020 which generated a Surplus of £15.9 Million.

Rents and related income increased from £10.3 Million to £10.8 Million due partly to the increase in the number of properties and increases in rents charged.

Total resources expended amounted to £10.4 Million (2019/20 £10.0 Million). Key items were direct property costs including repairs of £4.9 Million; staff costs £2.3 Million; support costs of £1.8 Million and depreciation of £1.3 Million. Total capital expenditure in 2020/21 was £0.4 Million (2019/20 1.8 Million).

The Trust holds £3.8 Million of investments. Of this, £517K is held on long term cash deposits and the remainder as Accumulation Funds (with professional investment managers, Investec) to provide a balanced financial return to the Charity.

The Finance and Risk Committee has responsibility for reviewing the performance of the investments against various benchmarks and the stock market in general. Investec manage these Accumulation Funds on a discretionary basis, within the ranges set out in the Trusts Investment Policy. Values have generally recovered from the low point reached during the Covid-19 pandemic.

Cash at bank was £22.0 Million at the year end, compared to £4.4 Million at 31 March 2020. The increase is substantially due to the £16.0 Million surplus arising on the disposal of St Marks Court, as mentioned above. The cash reserves and future years' generation of cash is being earmarked to invest in the improvement of the housing stock.

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The Trust has made full provision for a pension liability of £436K in relation to its participation in the Social Housing Pension scheme (SHPS) on the basis of the latest actuarial assessment of this liability at 31 March 2021. The SHPS scheme is a defined benefit scheme and further details are disclosed in note 22 to the financial statements.

Total net assets were £90.9 Million compared to £74.0 Million in 2019/20, the increase once again being due to the surplus arising on the disposal of St Marks Court.

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

EDI STATEMENT

Haig Housing Trust (the "Trust") recognises the value of diversity and is committed to an environment of inclusion where we and our beneficiaries benefit from the inherent value in embracing peoples differences. As an organisation we encourage a variety of perspectives and a diversity of workforce that reflects society and the communities that we operate in to enable us to make better decisions and fulfil our responsibilities to the ex-service people we are here to support.

We are committed to operating as an organisation that is diverse, inclusive, and provides equality of opportunity for all, where we celebrate difference and value everyone.

The Trust believes that our employees, beneficiaries, trustees, partners, contributors and all individuals are entitled to be treated with dignity and respect, free from unlawful discrimination on the grounds of race, sex, pregnancy and maternity, marital or civil partnership status, gender reassignment, disability, religion or beliefs, age or sexual orientation.

We are dedicated to encouraging and fostering a culture where employees can be authentically themselves, perform at their best and reach their full potential.

The Trust aims to promote access to the housing and ancillary services provided by the Trust in a safe and welcoming environment, free from discrimination and prejudice.

RISK MANAGEMENT

The Trustees have a formal risk management process to assess risks and implement risk management strategies. A full risk assessment is carried out periodically by the Trustees: risks are identified and assessed for impact and probability. Trustees monitor plans annually and major risks quarterly to provide assurance that risk management and internal controls are effective, proportionate and realistic, as well as reflecting real world events and operating environment.

Day to day risk management is delegated to the executive who are responsible for enacting the Trustees' intent. The risk register and associated controls have been comprehensively re-evaluated this year. A number of changes to procedures have been made that improve visibility of risks and allow effective prioritisation of actions. A process of continual improvement has been started that will, in time, feed through to more effective outcomes and provide enhanced management assurance.

In common with other landlords, Haig assesses its major potential risks to arise from its operational activities of owning and maintain properties, including:

- Rental income stability – managed proactively by a dedicated team, as well as being tracked on a monthly basis, with early intervention to help tenants in difficulty. Rental income has held up well despite the economic difficulties associated with Covid 19.
- Legislation and welfare changes – the biggest changes in the regulatory regime stem from post-Grenfell initiatives, whilst modifications to Universal Credit can affect tenants' ability to pay. The Trust does not anticipate a significant negative impact from these measures.

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- Contractors (viability and service delivery) – Haig maintains close working relationships with its contractors and intends to improve the quality of delivery, investing to achieve value for money as part of building long term partnerships. The risk is therefore assessed as manageable.
- unexpected costs and incidents (including potential litigation) – last year has shown that the unexpected can, and often does, occur. Haig's approach to operational reserves, cash balances and investments means that the charity is able to weather the storm, as demonstrated by our ability to continue to operate during lockdown

Additional risks, costs and disruption associated with Covid 19 have been assessed and the Trust confirms that it has sufficient liquidity and capacity to continue to provide its beneficiaries with the support and services they need. The Trust takes measures to mitigate its exposure to such risks and is confident that it has the resources necessary to manage issues as they arise. Without being complacent, the Trust is confident that the experience gained during a difficult year leaves it well placed to manage potential future risks and issues.

RESERVES

Reserves are held to ensure that the Trust can maintain its operations and continue to meet its charitable objects. Reserve levels are designed to be dynamic, regularly reviewed and responsive to internal and external changes. Trustees have set a current target reserve of three-four months of budgeted operating expenditure, to be held in cash or other liquid securities which can be realised within 60 days. As at 31 March 2021, reserves equating to 8 months of budgeted cash operating expenses were held, being £6.7m. The Trust's policy is to hold sufficient Unrestricted Funds on its balance sheet to cover any distribution of these reserves. The Trust's reserves, currently valued at approximately £91m (2020: £74m), of which £21.7m represents free reserves (2020: £3.7m), comprise unrestricted funds, less tangible fixed assets. These are expendable at the discretion of the Trustees in furtherance of the charity's objects.

FUTURE PLANS

It is clear that there is considerable catching up required to recover from the impact of Covid 19, as well as improving the overall condition of the Trust's housing stock and addressing sustainability issues. The Trustees have initiated a significant five year investment programme to improve and modernise existing stock; a condition survey is underway to identify and prioritise this work. The Trust has major ambitions to update, rebalance and refresh its offer to beneficiaries in order to provide modern homes that they can be proud of and reflect their service to their country. Details are being worked out in a strategic review, due to report in late summer 2021, that will determine future priorities for the Trust, and outline spending intentions.

Alongside work on its current portfolio, the Trust continues to seek opportunities to rationalise its estate, including the disposal of properties no longer meeting beneficiary needs. It has sold a non-core property in St John's Wood and will re-invest the funds in its current estate, whilst also seizing opportunities to acquire other properties where appropriate. The Trust will continue to buy and adapt homes for the wounded as they exit the injury and care pathway. Assistance will continue to be needed, albeit at lower demand than the peak of the recent conflicts.

GOING CONCERN

As detailed in the financial commentary in the Trustees' Annual Report the Trustees, having reviewed the charity's activities and financial position, consider the going concern basis of accounting to be appropriate. This judgement was made in light of a reforecast centred on a number of scenarios around the financial impact of COVID19 revising our plans and putting a contingency framework in place to manage potential future uncertainty on the longer term financial impacts of the pandemic.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

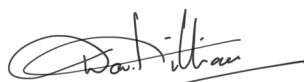
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted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

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

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

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

The Trustees' Report, including the Strategic Report, was approved by order of the members of the board of Trustees on 23 September 2021 and signed on its behalf by:



Mr D G Williams
Chairman



Lt Col I A Vere Nicoll
Trustee

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

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

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

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

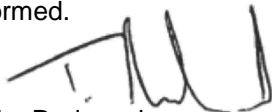
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 19 November 2021

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Income from:						
Donations and legacies	4	-	-	7	7	60
Charitable activities	5	-	230	10,546	10,776	10,334
Profit on sale of assets		-	-	15,982	15,982	1,778
Investments		-	7	53	60	89
Other income		-	-	12	12	15
Total income and endowments		<u>-</u>	<u>237</u>	<u>26,600</u>	<u>26,837</u>	<u>12,276</u>
Expenditure on:						
Raising funds		-		54	54	40
Charitable activities	6	14	325	9,880	10,219	9,935
Total expenditure		<u>14</u>	<u>325</u>	<u>9,934</u>	<u>10,273</u>	<u>9,975</u>
Net gains/(losses) on investments		-	35	546	581	(154)
Net movement in funds before other recognised gains		<u>(14)</u>	<u>(53)</u>	<u>17,212</u>	<u>17,145</u>	<u>2,147</u>
Actuarial (losses)/gains on defined benefit pension schemes		-	-	(250)	(250)	386
Transfers between funds		-	(13)	13	-	-
Net movement in funds		<u>(14)</u>	<u>(66)</u>	<u>16,975</u>	<u>16,895</u>	<u>2,533</u>
Reconciliation of funds:						
Total funds brought forward		581	20,104	53,337	74,022	71,489
Net movement in funds		(14)	(66)	16,975	16,895	2,533
Total funds carried forward		<u>567</u>	<u>20,038</u>	<u>70,312</u>	<u>90,917</u>	<u>74,022</u>

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

The notes on pages 15 to 34 form part of these financial statements.

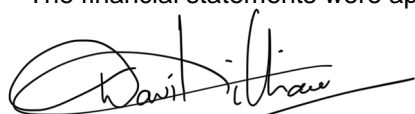
HAIG HOUSING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06593129

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	11	67,965	69,344
Investments	12	3,813	3,212
		71,778	72,556
Current assets			
Debtors	13	308	496
Cash at bank and in hand		21,958	4,435
		22,266	4,931
Creditors: due within one year	14	(1,957)	(2,293)
Net current assets		20,309	2,638
Total assets less current liabilities		92,087	75,194
Creditors: due after one year	15	(734)	(900)
Defined benefit pension scheme liability	22	(436)	(272)
Total net assets		90,917	74,022
Charity funds			
Endowment funds	16	567	581
Restricted funds	16	20,038	20,104
Unrestricted funds	16	70,312	53,337
Total funds		90,917	74,022

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

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



Mr D G Williams Chairman
Date: 23 September 2021



Lt Col I A Vere Nicoll Trustee

HAIG HOUSING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	18	1,800	994
Cash flows from investing activities			
Dividends, interests and rents from investments		18	78
Proceeds from the sale of tangible fixed assets		16,382	2,354
Purchase of tangible fixed assets		(449)	(1,841)
Net cash provided by investing activities		15,951	591
Cash flows from financing activities			
Repayments of borrowing		(160)	(154)
Interest payable		(68)	(79)
Net cash used in financing activities		(228)	(233)
Change in cash and cash equivalents in the year		17,523	1,352
Cash and cash equivalents at the beginning of the year		4,435	3,083
Cash and cash equivalents at the end of the year	19	<u>21,958</u>	<u>4,435</u>

The notes on pages 15 to 34 form part of these financial statements

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Haig Housing Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Having reviewed the financial position, the Trustees consider the going concern basis of accounting to be appropriate. This judgement was made in light of a reforecast centred on a number of scenarios around the financial impact of COVID-19 revising our plans and putting a contingency framework in place to manage potential future uncertainty on the longer term financial impacts of the pandemic. Therefore the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

2.3 Income

Income from rental and service charges is recognised in the financial statements in the period to which the rent or service charge relates and entitlement is earned.

Investment income is accounted for on an accruals basis

Donations received are accounted for through the income and expenditure account on a receipts basis.

Donated properties are included at their open market value or their existing use value at the date of the donation.

Non-performance related grants are accounted for as receivable.

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2.4 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Support costs comprise of administration costs and are allocated to the various cost categories on the basis of an estimate of staff time attributable to each activity.

Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses and external audit fees.

2.5 Tangible fixed assets and depreciation

Housing Properties

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

Freehold land is not depreciated.

Freehold properties are depreciated over 50 – 70 years depending on the property.

Leasehold properties are depreciated over the shorter of the term of the lease or their estimated useful life.

Other Fixed Assets

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

Depreciation is provided on the following basis:

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

2.6 Investments

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

2.7 Debtors

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

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2.8 Cash at bank and in hand

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

2.9 Liabilities

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

2.10 Financial instruments

Haig Housing Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

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

Investments, held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. The value of these assets at 31 March 2021 was £3,212,000 (2020: £2,863,000).

2.11 Pensions

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

2.12 Fund accounting

Restricted funds

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

Designated funds

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

General fund

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

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Critical accounting estimates and areas of judgment

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

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

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

Pensions

The SHPS pension liability is based on the SHPS valuation as at 31 March 2021 and full details of this liability and the underlying assumptions are disclosed in note 22.

Useful economic life of assets

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

Impairment

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

4. Income from donations and legacies

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Donations	7	7	59
Legacies	-	-	-
Grants	-	-	1
	<u>7</u>	<u>7</u>	<u>60</u>

HAIG HOUSING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Income from charitable activities

	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Provision of housing to beneficiaries	<u>230</u>	<u>10,546</u>	<u>10,776</u>	<u>10,334</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000
Provision of housing to beneficiaries	<u>14</u>	<u>325</u>	<u>9,880</u>	<u>10,219</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Provision of housing to beneficiaries	<u>10,219</u>	<u>10,219</u>	<u>9,935</u>
<i>Total 2020</i>	<u>9,935</u>	<u>9,935</u>	

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities (continued)

	Total funds 2021	<i>Total funds 2020</i>
	£000	<i>£000</i>
Staff costs	2,164	2,359
Property repair, serving and management	4,937	4,629
Interest payable	68	79
Bad debt expense	5	221
Return of grant to Help for Heroes	--	150
Building depreciation	1,284	1,140
Support costs	1,761	1,357
	10,219	9,935

Support costs as above includes consultancy fees of £597,000, legal and professional fees of £63,000, information technology costs of £299,000, staff costs of £214,000, telephone expenses of £111,000, depreciation of £130,000 and other costs of £347,000.

8. Auditor's remuneration

	2021	<i>2020</i>
	£000	<i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	21	<i>20</i>
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	3	<i>3</i>

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Staff costs

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	1,854	1,908
Social security costs	174	248
Contribution to defined contribution pension schemes	136	203
	2,164	<i>2,359</i>
	2,164	<i>2,359</i>

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Provision of housing	36	37
Support costs	10	11
	46	<i>48</i>
	46	<i>48</i>

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	4	2
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	-	1

Employer's pension contributions of £32,720 (2020: £30,300) were paid in respect of these higher paid employees. The total employee benefits of 7 key management personnel of the charity were £568,651 (2020: 5 key management personnel £588,116). The previous Chief Executive resigned during the year and was replaced after a short gap.

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL-).

During the year ended 31 March 2021, expenses totalling £37 were reimbursed or paid directly to Trustees (2020 – £3,500).

11. Tangible fixed assets

	Housing properties £000	Work in progress £000	Freehold office £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation						
At 1 April 2020	81,969	-	307	18	1,445	83,739
Additions	368	-	-	-	81	449
Disposals	(498)	-	-	-	-	(498)
At 31 March 2021	81,839	-	307	18	1,526	83,690
Depreciation						
At 1 April 2020	13,008	-	138	18	1,230	14,394
Charge for the year	1,284	-	6	-	138	1,428
On disposals	(97)	-	-	-	-	(97)
At 31 March 2021	14,195	-	144	18	1,368	15,725
Net book value						
At 31 March 2021	<u>67,644</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>158</u>	<u>67,965</u>
At 31 March 2020	<u>68,961</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>215</u>	<u>69,344</u>

HAIG HOUSING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Investments

	2021 £000	2020 £000
Market Value at 1 April	3,212	3,363
Additions	41	52
Disposals	(21)	(22)
Gain / (losses) on investments	581	(181)
Market value at 31 March	<u><u>3,813</u></u>	<u><u>3,212</u></u>
<i>Historic Cost</i>	<u><u>3,108</u></u>	<u><u>3,061</u></u>

Investments include a £0.5m long term cash deposit with the Royal Bank of Scotland and £3.3m under management by Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

13. Debtors

	2021 £000	2020 £000
Rent debtors	149	110
Prepayments	85	359
Accrued income and other debtors	74	27
	<u><u>308</u></u>	<u><u>496</u></u>

14. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank loans	166	160
Trade creditors	125	571
Other creditors	3	32
Accruals and deferred income	1,663	1,530
	<u><u>1,957</u></u>	<u><u>2,293</u></u>

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021 £000	2020 £000
Bank loans	<u>734</u>	<u>900</u>

Bank loans consist of two fixed rate loans with a rate of 6.8% expiring during 2025/26. The loans are secured on five of the estates owned by Haig Housing Trust. These make up a small proportion of overall housing stock and have a net book value of £6,755,360 at the year end.

16. Statement of funds

Statement of funds - current year

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

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2020 £000</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	49,327	-	(1,306)	1,762	49,783
Leasehold liability fund	117	-	-	-	117
Pension reserve	(733)	-	75	386	(272)
	<u>48,711</u>	<u>-</u>	<u>(1,231)</u>	<u>2,148</u>	<u>49,628</u>
General funds					
General Funds - all funds	1,897	12,074	(8,384)	(1,878)	3,709
Total Unrestricted funds	<u>50,608</u>	<u>12,074</u>	<u>(9,615)</u>	<u>270</u>	<u>53,337</u>
Endowment funds					
Permanent Endowment	609	-	(14)	(14)	581
Restricted funds					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,784	79	(102)	-	2,761
Disabled Officer Garden	38	115	(85)	-	68
Help for Heroes (coming home)	1,985	-	(150)	-	1,835
Gulf War Fund	20	-	-	-	20
Other	104	-	-	-	104
Mrs Willie James Fund	311	9	(9)	(25)	286
	<u>20,272</u>	<u>203</u>	<u>(346)</u>	<u>(25)</u>	<u>20,104</u>
Total of funds	<u>71,489</u>	<u>12,277</u>	<u>(9,975)</u>	<u>231</u>	<u>74,022</u>

HAIG HOUSING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Statement of funds (continued)

Permanent Endowment

Relates to properties originally gifted to Disabled Officer Garden Homes.

Restricted Funds / Reserves

Veterans Accommodation Fund

This fund was created with monies from the Ministry of Defence and is to be used to develop /purchase properties in Morden, Scotland, Aldershot and Colchester. At 31 March 2021 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

Colchester Borough Council Fund

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

Disabled Soldier and Sailors (Hackney) Foundation (DSSH)

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

Disabled Officer Garden Homes

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

Gulf War Fund

This fund comprised amounts donated to assist the badly injured from the first Gulf War. During the year, the trustees decided that this fund should be wound up and therefore the remaining balance of this fund has been transferred to general funds.

Help for Heroes (Coming Home)

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

Mrs Willie James Charity

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

Designated funds / reserves

Fixed asset fund

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

Leasehold liability fund

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

Pension reserve

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

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

Analysis of net assets between funds - prior period

	<i>Endowment funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	581	19,061	49,702	69,344
Fixed asset investments	-	261	2,951	3,212
Current assets	-	782	4,149	4,931
Creditors due within one year	-	-	(2,293)	(2,293)
Creditors due in more than one year	-	-	(900)	(900)
Provisions for liabilities and charges	-	-	(272)	(272)
Total	<u>581</u>	<u>20,104</u>	<u>53,337</u>	<u>74,022</u>

HAIG HOUSING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021 £000	2020 £000
Net income for the period (as per Statement of Financial Activities)	16,564	2,301
Adjustments for:		
Depreciation charges	1,428	1,308
Dividends, interests and rents from investments	(60)	(82)
Profit on the sale of fixed assets	(15,982)	(1,778)
Movement in pension deficit liability	(86)	-
Decrease in debtors	188	230
(Decrease) in creditors	(320)	(1,064)
Interest payable	68	79
Net cash provided by operating activities	1,800	994

19. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	21,958	4,435
Total cash and cash equivalents	21,958	4,435

20. Analysis of Net Debt

	At 1 April 2020 £000	Cash flows £000	At 31 March 2021 £000
Cash at bank and in hand	4,435	17,523	21,958
Debt due after 1 year	(900)	166	(734)
Debt due within 1 year	(160)	(6)	(166)
	3,375	17,683	21,058

HAIG HOUSING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Capital commitments

	2021	<i>2020</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements	<u> -</u>	<u> -</u>

22. Pension commitments

Defined benefit scheme

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

Overview of the whole scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, an actuarial valuation for the scheme were carried out at 31 March 2021 and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

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22. Pension commitments (continued)

<u>Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset</u>	2021	2020
	(£000s)	(£000s)
Fair value of plan assets	2,485	2,363
Present value of defined benefit obligation	2,921	2,635
Surplus (deficit) in plan	(436)	(272)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(436)	(272)
 <u>Reconciliation of opening and closing balances of the defined benefit obligation</u>		
	2021	2020
	(£000s)	(£000s)
Defined benefit obligation at start of period	2635	3,117
Expenses	3	3
Interest expense	61	69
Actuarial losses (gains) due to scheme experience	(66)	(114)
Actuarial losses (gains) due to changes in demographic assumptions	12	(30)
Actuarial losses (gains) due to changes in financial assumptions	511	(308)
Benefits paid and expenses	(235)	(102)
Defined benefit obligation at end of period	2,921	2,635
 <u>Reconciliation of opening and closing balances of the fair value of plan assets</u>		
	2021	2020
	2,363	2,384
Fair value of plan assets at start of period	2,363	2,384
Interest income	55	54
Experience on plan assets (excludes amounts included in interest income)	207	(66)
Employer contributions	95	93
Benefits paid and expenses	(235)	(102)
Fair value of plan assets at end of period	2,485	2,363

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

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

Defined benefit costs recognised in Statement of Financial Activities

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

Assets

	2021 (£000s)	2020 (£000s)
Global Equity	396	396
Absolute Return	137	137
Distressed Opportunities	72	72
Credit Relative Value	78	78
Alternative Risk Premia	94	94
Emerging Markets Debt	100	100
Risk Sharing	90	90
Property	52	52
Infrastructure	166	166
Private Debt	59	59
Opportunistic Illiquid Credit	63	63
High Yield	74	74
Opportunistic Credit	68	68
Corporate Bond Fund	147	147

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Liquid Credit	30	30
Long Lease Property	49	49
Secured Income	103	103
Liability Driven Investment	632	632
Net Current Assets	15	15
Total assets	2,485	2,485

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

Key Assumptions

	2021	2020
	% per annum	% per annum
Discount Rate	2.09%	2.41%
Inflation (RPI)	3.33%	2.68%
Inflation (CPI)	2.84%	1.68%
Salary Growth	3.84%	2.68%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**Life expectancy
at age 65**

Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2040	22.9
Female retiring in 2040	25.1

23. Operating leases - Lessor

Properties owned by Haig Housing Trust are occupied under various tenancy agreements. The committed rental income generated under these agreements over the next 12 months is estimated to be £913,000 (2020: £1,302,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2021.

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24. Related party transactions

There have been no related party transactions that require disclosure.

25. Linked charities and subsidiaries

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

In addition, the Trust holds all allotted shares in Haig Housing Trading Limited (formerly Coming Home Campaign Limited, name changed on 11 June 2019), a limited company (registered in England and Wales 09331680) that carries out trading activities on behalf of the charity. This entity was dormant for the year ended 31 March 2021.

A summary of the results of each are shown below:

	DOGH £'000	Mitchell Flats £'000	Clevedon Homes £'000
Income	119	14	10
Expenditure	(89)	(13)	(20)
(Deficit) / Surplus	30	1	(10)
Net assets	705	(31)	579

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Statement of Financial Activities – Comparatives

	Note	Endowment funds 2020 £000	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and legacies	4	-	-	60	60	815
Charitable activities	5	-	203	10,131	10,334	9,702
Profit on sale of assets		-	-	1,778	1,778	449
Investments		-	-	89	89	94
Other income		-	-	15	15	29
Total income and endowments		-	203	12,073	12,276	11,089
Expenditure on:						
Raising funds		-	-	40	40	139
Charitable activities	6	14	346	9,575	9,935	9,730
Total expenditure		14	346	9,615	9,975	9,869
Net gains/(losses) on investments		-	(25)	(129)	(154)	188
Net movement in funds before other recognised gains		(14)	(168)	2,329	2,147	1,408
Actuarial gains/(losses) on defined benefit pension schemes		-	-	386	386	(253)
Transfers between funds		(14)		14		
Net movement in funds		(28)	(168)	2,729	2,533	1,155
Reconciliation of funds:						
Total funds brought forward		609	20,272	50,608	71,489	70,334
Net movement in funds		(28)	(168)	2,729	2,533	1,155
Total funds carried forward		581	20,104	53,337	74,022	71,489

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