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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**HAIG HOUSING TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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<b>Trustees</b>	Mr D G Williams (Chairman) Mrs C Lester-Walker MBE (Chairman until Resignation 24 October 2019) Lt Col I A Vere Nicoll (Vice Chairman) Mr S M Elliott Mrs S S Fernandes (Appointed 24 June 2020) Mr P Findlay (Appointed 24 June 2020) Miss M D Green (Appointed 24 June 2020) Ms F M Gordon (Resigned 25 March 2020) Ms LMS Locke Mr R J Steele (Appointed 24 October 2019) Major General J Stokoe CB, CBE (Resigned 24 October 2019) Mr A B Weir Dr M J S Weir Mr N G White
<b>Company registered number</b>	06593129
<b>Charity registered numbers</b>	1125556 (England and Wales) and SC040058 (Scotland)
<b>Registered office</b>	Alban Dobson House Green Lane Morden Surrey SM4 5NS
<b>Company secretary</b>	Rakesh Gulati BA FCA CiM MBA
<b>Chief executive officer</b>	James Richardson MBE MA FCiM
<b>Independent auditor</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
<b>Bankers</b>	Barclays Bank Plc 50 Pall Mall London SW1A 1QF
<b>Solicitors</b>	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
<b>Leadership team</b>	Rakesh Gulati Patrick Hogan John Lau Rory Ingleby-Mackenzie

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees present their report and the financial statements of the company for the year ended 31 March 2020.

**CHAIRMAN'S STATEMENT**

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 increase and 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 Transitional homes opened in 2018 continue to be a success with young service leavers. Approximately half of the first tranche of beneficiaries have moved on to be replaced by new service leavers on the same terms.

A new development of 68 energy efficient homes in Morden was completed in 2019, and officially opened in October by HM The Queen, our Patron. These homes have brought useful flexibility to our Morden stock, welcoming new beneficiaries to the Trust and allowing the transfer of some existing beneficiaries needing different homes.

In 2019, the Trustees and Management reviewed the Trust's objectives and developed a purpose and set of values to be used throughout the organisation, acting as the guiding principles for trustees and staff.

The Trust adopted as its purpose that "Haig Housing provides quality homes to improve the lives of veterans and families in need".

The Trustees have identified the values of the Trust as being:

- We take pride in the contribution and difference we make
- We operate with professionalism and integrity
- We treat everyone with fairness and respect
- We encourage and embrace new ideas

In 2019, the Board agreed that the previous approach to setting rent required updating to better reflect the needs of beneficiaries and the Trust. Following a review by external consultants, the Trust adopted the Living Rent approach for its rent setting in 2020. This approach, building on the work of the Joseph Rowntree Foundation and the National Housing Federation, bases rents on the average lower-quartile net income in a region, adjusting for variance in each property, and capped at the Local Housing Allowance. Transition arrangements have been put in place for those for whom this represents a significant change in their rent, and additional charitable assistance is available for those in particular need. Updated rents reflecting this approach were rolled out across Haig's properties in Q1 2020.

The outlook and activities for 2020 are, of course, impacted by the Covid 19 pandemic. A new, cloud-based IT system rolled out in 2019 facilitated home-working for the Trust's management and administrative staff, with those maintenance and other staff whose roles made home-working impractical, adopting strict social distancing and other safety measures. As the Trust's guiding principles for the pandemic, it adopted the National Housing Federation's approach of keeping people secure at home, helping people get the support they need and acting compassionately and quickly where people struggle. Measures were put in place to ensure that beneficiaries facing particular difficulties as a result of the virus were able to access the support that they needed. The Trust is in a robust financial and operating position and, whilst increased rent arrears and property voids were to be expected, the levels seen to date are well within the Trust's capacity to manage them. The Trust's reserve levels have remained at, or above, the target range set by the Trustees. Sadly, we know of three beneficiaries (those known and reported as such) and one member of Haig's staff have died from the virus and the Trust has provided appropriate support to their families.

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Whilst the full impact and extent of the pandemic has yet to become apparent, 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.

## **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 the provisions of the Memorandum and Articles of Association, which were amended in 2019.

### **Governing Body**

The Board currently consists of 11 independent non-executives trustees who elect a chairman and vice chairman from amongst their number. Since the last annual report, three trustees have stepped down, including the Chair of Trustees, Cathy Lester-Walker, who had served for nine years on the board, four of them as Chair. Four new trustees have joined the board, adding to its skills and experience as well enhancing its overall diversity.

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 its assessment of the Trust's compliance with the Charity Governance Code, the Board appointed independent consultants, Campbell Tickell, to undertake a Governance and Board effectiveness review. A programme of work is in place to action the recommendations made in the review and strengthen the Trust's alignment with the Charity Governance Code.

### **Organisational Management**

The Trustees of the Charity meet formally every quarter and delegate specific issues to various Committees that report to the full board. The current Committees are:

- Strategy & Development Committee
- Audit & Risk Committee
- Nomination and Remuneration Committee

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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, and each staff position is benchmarked to a corresponding role held in the Croner compendium of Charitable Salaries. The Board awarded a 2020 annual pay rise in line with the recommended median rise in the charity sector. The Chief Executive's remuneration was considered and approved by the Board in April 2020. No trustees received remuneration for their services in the year.

**Investment Policy**

The Trust's investments are held in cash or managed by professional managers in a discretionary portfolio who are given agreed investment objectives and risk profiles to adhere to.

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.

£517k is held in a term deposit with a major UK Bank.

**Public Benefit**

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing objectives and activities.

The primary purpose of the Haig Housing Trust is providing quality homes to improve the lives of veterans and their families in need. 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.

**Fundraising Activities**

Fundraising is not considered to be a major activity of the Trust (2020: £60k) and is not relied on to fund core operations. All fundraising approaches and relationships are managed by a small team whose actions are overseen by the Chief Executive. The Charity is registered with the Fundraising Regulator and adheres to the Fundraising Code and all good standards of practice including a commitment to protect vulnerable donors. The Trust complies with GDPR requirements and does not share any data for the purposes of fundraising with third parties or data sharing schemes.

**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.

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## **STRATEGIC REPORT**

The Trust provides and maintains 1,542 homes for the ex-Service community. These are spread throughout the UK in 60 estates and located in 47 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, 59 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 17 of these veterans to purchase Haig's share of their properties, and including 8 other disposals Haig's Special Purchase portfolio currently stands at 34. The Trust maintains equity of between 25% and 75% in Shared Ownership homes, charging a modest 3% rent on the element of equity it retains.

The Trust has established a leading role in the ex-Service housing sector. The Chief Executive is Co-Chair of the grouping (Cluster) of Ex-Service housing charities who are members seeking to bring coordination and cooperation within the Cluster for the benefit of the whole veteran community. Additionally, it provides a practical housing advisory role to Cobseo and also, through attendance at Service resettlement and housing fairs, to the serving, but transitioning, Service community.

## **REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

The Trust bought no further Special Purchase homes during the year but has continued to support shared leaseholders and sell further equity stakes to some beneficiaries.

This year one of the ex-Servicemen who had previously bought their homes using the shared ownership scheme purchased the remaining equity in his home bringing the total since project inception to 17. The Trust now has no stake in these homes but monitors the success of the disabled Serviceman should assistance be necessary again in the future. The funds these have released have been used for new purchases

The Trust has continued to manage property bought with the aid of the Veterans Accommodation Fund (VAF) Grant in Aldershot and Colchester (37 properties). These properties will form the third stage of a Veteran's pathway in cooperation with Riverside and Stoll which provide the Hostel and Supported Living aspects of a pathway, designed to bring a veteran to normal unsupported living, playing their part in wider society.

In 2015, the Trust took over the management of 10 cottages owned by the Disabled Soldiers' and Sailors' (Hackney) Foundation (DDSHF). Following the success of this, the Trustees of the Foundation amended their articles and made Haig Housing Trust the parent entity on October 30, 2015. All stock was transferred to Haig Housing in October 2017 and the Foundation ceased operations in April 2019.

The Trust continues to maintain and improve its stock through a forward cyclical plan for its properties. During the year 7,997 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.

## **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Trust generated a surplus of £2.5 Million compared to a surplus of £1.2 Million in 2018/19. The results for the year include surpluses on the disposal of properties no longer meeting the Trusts requirements of £1.7 Million (£0.4 Million in 2018/19). The figures for 2018/19 include receipts of £815k of donations and legacies (a lower £60k in 2020).

In accordance with UK GAAP, donations and grants received for property purchases or for the development of new homes are treated as income whilst the purchase of a house or expenditure on development, which are the Trust's major expenditure items are treated as fixed asset acquisitions. The cost of the latter are amortised over 50 to 70 years within the depreciation charge. The level of donations and grants are much reduced and this distortion is therefore largely reduced in 2019/20.

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Rents and related income increased from £9.7 Million to £10.3 Million due partly to the increase in the number of properties and increases in rents charged.

Total resources expended amounted to £10 Million (2018/19: £9.9 Million) Of this £40K was attributed to being the direct costs of fundraising (2018/19: £139K). Key items were direct property costs including repairs of £4.6 Million; staff costs £2.4 Million; support costs of £1.4 Million and depreciation of £1.1 Million.

The Trust took a decision in 2016 to change its method of providing repairs to be able to provide a better service to beneficiaries with a long term view of reducing expenditure on reactive repairs. As with any change programme, total expenditure on repairs increased over the change period. This change has now started to show dividends and stabilise with a lower spend than the previous year. This programme continues to be reviewed as there is a continual need to balance costs with beneficiary expectations.

Total capital expenditure in 2019/20 was £1.8 Million (2018/19 11.8 Million) most of which was spent on completing the major self-development programme commenced in 2018/19. Capital expenditure over the last 2 years also includes the cost of developments to change our operational and financial management information systems to provide both a better service to tenants and better management information.

The Trust holds £3.2 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 Audit 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. Towards the end of the year 2019/20 investments, like the market in general, have decreased in value.

Cash at bank was £4.4 Million compared to £3.1 Million at 31 March 2019. The movement reflects the disposal of properties and the inflow from the operating gain of £1.5 Million (depreciation charges of £1.3 Million) less expenditure on new housing properties and the development programme. For the financial year 2020/21 and thereafter, lower levels of capital expenditure are projected. The cash reserves and future years' generation of cash is being earmarked to invest in the improvement of the housing stock – This is estimated to be £5 Million over 5 years.

Total net assets were £74 Million compared to £71.5 Million in 2018/19. It needs to be noted that these figures incorporate a reduced level of the GAAP calculated net pension fund liabilities (£0.3Million vs £0.7 Million in 2018/19), reflecting the Charity's share of the SHPS pension liability in accordance with FRS102. Refer to note 22 for further details.

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.

## **RISK MANAGEMENT**

Risks are those factors that could adversely affect the achievement of the Trust's business plan. The Trustees have a formal risk management process to assess risks and to implement risk management strategies. A full risk assessment is carried out periodically by the Trustees and risks are identified and assessed for impact and probability. Trustees monitor the plans annually and the major risks quarterly to control the major risks through regular reporting of both risk management and internal control systems.

The Trust has modelled the financial and operational risks associated from the adverse effects of COVID 19 and can confirm that it has sufficient liquidity and capacity to be able to continue to provide its beneficiaries with the support and services they are accustomed to receive. There will naturally be disruption, added costs and potentially increased investment in working capital requirements which the charity is able to absorb and overcome in the immediate future.



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Inherent to all organisations developing and maintaining properties are many potential risks, including collection of rents, changes in legislation and welfare reforms, liquidation of contractors, cost overruns and litigation with contractors. Whilst these cannot be quantified, the Trust takes all possible measures to minimise its exposure to such risks and is confident that it has the financial resources necessary to deal with unforeseen problems. In addition to the adverse impact of COVID 19 noted above, the Trust carries sufficient reserves to be able to withstand the risks associated with the above.

## **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 the 31<sup>st</sup> March 2020, reserves equating to 4.4 months of budgeted cash operating expenses were held, being £3.1m. 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 £74m (2019: £71m), of which £3.5m represents free reserves (2019: £1.3m), 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**

The current strategy for the Trust was approved in 2014 and the 68 homes delivered and occupied in 2019 completed the planned growth in stock. The strategy will be reviewed and refreshed in 2021.

The Trustees have initiated a 5 year investment programme to improve and modernise its existing stock and a stock condition survey is underway to identify and prioritise this work.

The Trust continues to seek opportunities to rationalise its estate, including the disposal of properties no longer meeting beneficiary needs. It has engaged a sales agent to assist with the marketing and sale of a non-core property in St John's Wood.

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 2020**

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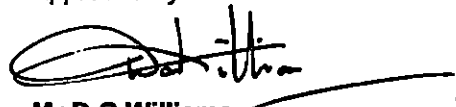
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted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

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

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

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

Approved by order of the members of the board of Trustees on 24 September 2020 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 OF HAIG HOUSING TRUST**

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**Opinion**

We have audited the financial statements of Haig Housing Trust (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of 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 2020 and of its incoming resources and application of resources, including its 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.

**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 United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAIG HOUSING TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAIG HOUSING TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, 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**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**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. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Tina Allison**  
Senior statutory auditor

for and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

**Date:** 16 November 2020

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Endowment funds 2020 £000	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>Income from:</b>						
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
<b>Total income and endowments</b>		<b>-</b>	<b>203</b>	<b>12,073</b>	<b>12,276</b>	<b>11,089</b>
<b>Expenditure on:</b>						
Raising funds		-	-	40	40	139
Charitable activities	6	14	346	9,575	9,935	9,730
<b>Total expenditure</b>		<b>14</b>	<b>346</b>	<b>9,615</b>	<b>9,975</b>	<b>9,869</b>
Net gains/(losses) on investments		-	(25)	(130)	(155)	188
<b>Net movement in funds before other recognised gains</b>		<b>(14)</b>	<b>(168)</b>	<b>2,328</b>	<b>2,146</b>	<b>1,408</b>
Actuarial gains/(losses) on defined benefit pension schemes		-	-	386	386	(253)
Transfers between funds		(14)		14		
<b>Net movement in funds</b>		<b>(28)</b>	<b>(168)</b>	<b>2,728</b>	<b>2,532</b>	<b>1,155</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		609	20,272	50,608	71,489	70,334
Net movement in funds		(28)	(168)	2,728	2,532	1,155
<b>Total funds carried forward</b>		<b>581</b>	<b>20,104</b>	<b>53,336</b>	<b>74,022</b>	<b>71,489</b>

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

The notes on pages 15 to 35 form part of these financial statements.

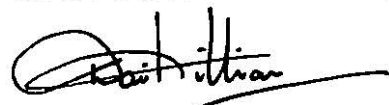
**HAIG HOUSING TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 06593129**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	11	69,344	69,307
Investments	12	3,212	3,363
		<u>72,556</u>	<u>72,670</u>
<b>Current assets</b>			
Debtors	13	496	726
Cash at bank and in hand		4,435	3,083
		<u>4,931</u>	<u>3,809</u>
Creditors: due within one year	14	(2,293)	(3,196)
<b>Net current assets</b>		<u>2,638</u>	<u>613</u>
<b>Total assets less current liabilities</b>		<u>75,194</u>	<u>73,283</u>
Creditors: due after one year	15	(900)	(1,061)
Defined benefit pension scheme liability	22	(272)	(733)
<b>Total net assets</b>		<u><u>74,022</u></u>	<u><u>71,489</u></u>
<b>Charity funds</b>			
Endowment funds	16	581	609
Restricted funds	16	20,104	20,272
Unrestricted funds	16	53,337	50,608
<b>Total funds</b>		<u><u>74,022</u></u>	<u><u>71,489</u></u>

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

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



Mr D G Williams Chairman  
Date: 24 September 2020



Lt Col I A Vere Nicoll Trustee

The notes on pages 15 to 35 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>994</b>	<b>1,585</b>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>78</b>	<b>51</b>
Proceeds from the sale of tangible fixed assets	<b>2,354</b>	<b>1,007</b>
Purchase of tangible fixed assets	<b>(1,841)</b>	<b>(11,694)</b>
<b>Net cash provided by/(used in) investing activities</b>	<b>746</b>	<b>(10,636)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	<b>(154)</b>	<b>(148)</b>
Interest payable	<b>(79)</b>	<b>(87)</b>
<b>Net cash used in financing activities</b>	<b>(233)</b>	<b>(235)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>1,352</b>	<b>(9,286)</b>
Cash and cash equivalents at the beginning of the year	<b>3,083</b>	<b>12,369</b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>4,435</u></b>	<b><u>3,083</u></b>

The notes on pages 15 to 35 form part of these financial statements



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**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 and 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 2020 was £3,212,000 (2019: £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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**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.

**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.

**4. Income from donations and legacies**

	<b>Unrestricted funds 2020</b>	<b>Total funds 2020</b>	<b>Total funds 2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Donations	59	59	232
Legacies	-	-	133
Grants	1	1	450
	<u>60</u>	<u>60</u>	<u>815</u>

**HAIG HOUSING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**5. Income from charitable activities**

	<b>Restricted funds 2020</b>	<b>Unrestricted funds 2020</b>	<b>Total funds 2020</b>	<i>Total funds 2019</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Provision of housing to beneficiaries	<u>203</u>	<u>10,131</u>	<u>10,334</u>	<u>9,702</u>

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

**Summary by fund type**

	<b>Endowment funds 2020</b>	<b>Restricted funds 2020</b>	<b>Unrestricted funds 2020</b>	<b>Total funds 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Provision of housing to beneficiaries	<u>14</u>	<u>346</u>	<u>9,575</u>	<u>9,935</u>

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020</b>	<b>Total funds 2020</b>	<i>Total funds 2019</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Provision of housing to beneficiaries	<u>9,935</u>	<u>9,935</u>	<u>9,730</u>
<i>Total 2019</i>	<u>9,730</u>	<u>9,730</u>	

**HAIG HOUSING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**Analysis of direct costs**

	Provision of housing to beneficiaries 2020	Total funds 2020	Total funds 2019
	£000	£000	£000
Staff costs	2,359	2,359	1,582
Property repair, serving and management	4,629	4,629	4,875
Interest payable	79	79	87
Bad debt expense	221	221	44
Return of grant to Help for Heroes	150	150	290
Building depreciation	1,140	1,140	979
Support costs	1,357	1,357	1,873
	<u>9,935</u>	<u>9,935</u>	<u>9,730</u>

**8. Auditor's remuneration**

	2020 £000	2019 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	20	20
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	<u>3</u>	<u>4</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. Staff costs**

	<b>2020 £000</b>	<b>2019 £000</b>
Wages and salaries	<b>1,908</b>	<b>1,814</b>
Social security costs	<b>248</b>	<b>191</b>
Contribution to defined contribution pension schemes	<b>203</b>	<b>152</b>
	<u><b>2,359</b></u>	<u><b>2,157</b></u>

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

	<b>2020 No.</b>	<b>2019 No.</b>
Cost of generating funds	<b>1</b>	<b>1</b>
Provision of housing	<b>37</b>	<b>34</b>
Support costs	<b>10</b>	<b>12</b>
	<u><b>48</b></u>	<u><b>47</b></u>

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

	<b>2020 No.</b>	<b>2019 No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>2</b>
In the band £80,001 - £90,000	<b>2</b>	<b>3</b>
In the band £90,001 - £100,000	<b>1</b>	<b>-</b>
In the band £110,001 - £120,000	<b>1</b>	<b>1</b>

Employer's pension contributions of £30,300 (2019: £34,953) were paid in respect of these higher paid employees. The total employee benefits of 6 key management personnel of the charity were £588,116 (2019: 5 key management personnel £520,182).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL-).

During the year ended 31 March 2020, expenses totalling £3.5k were reimbursed or paid directly to Trustees (2019 - £2k).

**11. Tangible fixed assets**

	Housing properties £000	Work in progress £000	Freehold office £000	Motor vehicles £000	Office equipment £000	Total £000
<b>Cost or valuation</b>						
At 1 April 2019	67,626	13,215	307	18	1,294	82,460
Additions	229	1,462	-	-	151	1,841
Disposals	(563)	-	-	-	-	(563)
Transfers between classes	14,677	(14,677)	-	-	-	-
At 31 March 2020	81,969	-	307	18	1,445	83,738
<b>Depreciation</b>						
At 1 April 2019	11,933	-	131	18	1,071	13,153
Charge for the year	1,140	-	6	-	160	1,306
On disposals	(65)	-	-	-	-	(65)
At 31 March 2020	13,008	-	138	18	1,230	14,394
<b>Net book value</b>						
At 31 March 2020	68,961	-	169	-	215	69,344
At 31 March 2019	55,693	13,215	175	-	223	69,307



**HAIG HOUSING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. Investments**

	2020 £000	2019 £000
Market Value at 1 April	3,363	3,148
Additions	52	48
Disposals	(22)	(21)
Gain on investments	(181)	(188)
<b>Market value at 31 March</b>	<u><u>3,212</u></u>	<u><u>3,363</u></u>
<i>Historic Cost</i>	<u><u>3,061</u></u>	<u><u>2,845</u></u>

Investments include £0.5m long term cash deposit with the Royal Bank of Scotland and £2.7m under management by Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds.

**13. Debtors**

	2020 £000	2019 £000
Rent debtors	110	221
Prepayments	359	239
Accrued income and other debtors	27	266
	<u><u>496</u></u>	<u><u>726</u></u>

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

	2020 £000	2019 £000
Bank loans	160	154
Trade creditors	571	343
Other creditors	32	27
Accruals and deferred income	1,530	2,672
	<u><u>2,293</u></u>	<u><u>3,196</u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank loans	<u><b>900</b></u>	<u><b>1,061</b></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 £6,927,334 at the year end.

**HAIG HOUSING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2020 £000
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General Funds - all funds	1,897	12,074	(8,384)	(1,878)	3,709
<b>Total Unrestricted funds</b>	<u>50,608</u>	<u>12,074</u>	<u>(9,615)</u>	<u>270</u>	<u>53,337</u>
<b>Endowment funds</b>					
Permanent Endowment	<u>609</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>	<u>581</u>
<b>Restricted funds</b>					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	450	-	-	-	450
DSSHF	2,784	79	(102)	-	2,761
Disabled Officer Garden					
Homes	38	115	(85)	-	68
Help for Heroes (coming home)	1,985	-	(150)	-	1,835
Gulf War Fund	20	-	-	-	20
Other	104	-	-	-	104
Mrs Willie James Fund	311	9	(9)	(25)	286
	<u>20,272</u>	<u>203</u>	<u>(346)</u>	<u>(25)</u>	<u>20,104</u>
<b>Total of funds</b>	<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 2020**

**16. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2019 £000</i>
<b>Unrestricted funds</b>					
Fixed asset fund	42,965	-	(1,038)	7,400	49,327
Leasehold liability fund	117	-	-	-	117
Pension reserve	(548)	-	68	(253)	(733)
	<u>42,534</u>	<u>-</u>	<u>(970)</u>	<u>7,147</u>	<u>48,711</u>
General funds	<u>7,188</u>	<u>10,352</u>	<u>(8,423)</u>	<u>(7,220)</u>	<u>1,897</u>
<b>Endowment funds</b>					
Permanent Endowment	<u>609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609</u>
<b>Restricted funds</b>					
Veterans Accommodation	14,580	-	-	-	14,580
Colchester Borough Council	-	450	-	-	450
DSSHF	2,781	71	(68)	-	2,784
Disabled Officer Garden Homes	53	102	(117)	-	38
Help for Heroes (coming home)	2,275	-	(290)	-	1,985
Gulf War Fund	20	-	-	-	20
Other	-	104	-	-	104
Mrs Willie James Fund	294	10	(1)	8	311
	<u>20,003</u>	<u>737</u>	<u>(476)</u>	<u>8</u>	<u>20,272</u>
<b>Total of funds</b>	<u>70,334</u>	<u>11,089</u>	<u>(9,869)</u>	<u>(65)</u>	<u>71,489</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 2020 the balance of the fund included properties purchased. There is a 15 year covenant on assets purchased with these funds.

*Disabled Soldier and Sailors (Hackney) Foundation (DSSHF)*

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**16. Statement of funds (continued)**

*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 comprises amounts donated to assist the badly injured from the first Gulf War.

*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 2020**

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

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

**Analysis of net assets between funds - prior period**

	<b>Endowment funds 2019</b>	<b>Restricted funds 2019</b>	<b>Unrestricted funds 2019</b>	<b>Total funds 2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	609	19,371	49,327	<b>69,307</b>
Fixed asset investments	-	279	3,084	<b>3,363</b>
Current assets	-	622	3,187	<b>3,809</b>
Creditors due within one year	-	-	(3,196)	<b>(3,196)</b>
Creditors due in more than one year	-	-	(1,061)	<b>(1,061)</b>
Provisions for liabilities and charges	-	-	(733)	<b>(733)</b>
<b>Total</b>	<b>609</b>	<b>20,272</b>	<b>50,608</b>	<b>71,489</b>

**HAIG HOUSING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net income for the period (as per Statement of Financial Activities)	2,301	1,220
<b>Adjustments for:</b>		
Depreciation charges	1,308	1,155
Dividends, interests and rents from investments	(82)	(73)
Profit on the sale of fixed assets	(1,778)	(449)
Decrease/(increase) in debtors	230	(329)
(Decrease) in creditors	(1,064)	(26)
Interest payable	79	87
<b>Net cash provided by operating activities</b>	<b><u>994</u></b>	<b><u>1,585</u></b>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	4,435	3,083
<b>Total cash and cash equivalents</b>	<b><u>4,435</u></b>	<b><u>3,083</u></b>

**20. Analysis of Net Debt**

	<b>At 1 April 2019</b>	<b>Cash flows £000</b>	<b>At 31 March 2020</b>
	<b>£000</b>		<b>£000</b>
Cash at bank and in hand	3,083	1,352	4,435
Debt due after 1 year	(1,061)	161	(900)
Debt due within 1 year	(154)	(6)	(160)
	<b><u>1,868</u></b>	<b><u>1,507</u></b>	<b><u>3,375</u></b>

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**21. Capital commitments**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Contracted for but not provided in these financial statements	<u>-</u>	<u>1,600</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 30 March 2020 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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**Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset**

	<b>2020</b>	<b>2019</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets	2,363	2,384
Present value of defined benefit obligation	2,635	3,117
Surplus (deficit) in plan	(272)	(733)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(272)	(733)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	-	-

**Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>2020</b>
	<b>(£000s)</b>
Defined benefit obligation at start of period	3,117
Expenses	3
Interest expense	69
Actuarial losses (gains) due to scheme experience	(114)
Actuarial losses (gains) due to changes in demographic assumptions	(30)
Actuarial losses (gains) due to changes in financial assumptions	(308)
Benefits paid and expenses	(102)
<b>Defined benefit obligation at end of period</b>	<b>2,635</b>

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

	<b>2020</b>
	<b>(£000s)</b>
Fair value of plan assets at start of period	2,384
Interest income	54
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(66)
Employer contributions	93
Member contributions	-
Benefits paid and expenses	(102)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
<b>Fair value of plan assets at end of period</b>	<b>2,363</b>

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

Current service cost	-
Expenses	3
Net interest expense	15
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Financial Activities	18

**Defined benefit costs recognised in Statement of Financial Activities**

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(66)
Experience gains and losses arising on the plan liabilities - gain (loss)	114
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	30
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	308
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	386
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>386</b>

<b><u>Assets</u></b>	<b>2020 (£000s)</b>	<b>2019 (£000s)</b>
Global Equity	345	401
Absolute Return	123	206
Distressed Opportunities	45	43
Credit Relative Value	65	44
Alternative Risk Premia	165	138
Fund of Hedge Funds	1	11
Emerging Markets Debt	72	82

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**NOTES TO THE FINANCIAL STATEMENTS  
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Risk Sharing	80	72
Insurance-Linked Securities	73	68
Property	52	54
Infrastructure	176	125
Private Debt	48	32
Opportunistic Illiquid Credit	57	-
Corporate Bond Fund	135	111
Liquid Credit	1	-
Long Lease Property	41	35
Secured Income	90	85
Liability Driven Investment	784	872
Net Current Assets	10	5
<b>Total assets</b>	<b>2,363</b>	<b>2,384</b>

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

**Key Assumptions**

	<b>2020 % per annum</b>	<b>2019 % per annum</b>
Discount Rate	2.41%	2.26%
Inflation (RPI)	2.68%	3.30%
Inflation (CPI)	1.68%	2.30%
Salary Growth	2.68%	3.30%
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 2020	21.5
Female retiring in 2020	23.3
Male retiring in 2040	22.9
Female retiring in 2040	24.5

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**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 £1,302,000 (2019: £1,269,000).

The Charity had no commitments under non-cancellable operating leases at 31 March 2020.

**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.

Disabled Soldier and Sailors (Hackney) Foundation (DSSHF) became a subsidiary of Haig Housing Trust in 2016. The Foundation's objects are to provide low cost accommodation to ex-servicemen and their families. Following a special resolution on 1 September 2017, DSSHF transferred all assets and liabilities to Haig Housing Trust with the entity being dissolved on 9 April 2019.

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 2020.

A summary of the results of each are shown below:

	<b>DOGH</b> <b>£'000</b>	<b>Mitchell</b> <b>Flats</b> <b>£'000</b>	<b>Clevedon</b> <b>Homes</b> <b>£'000</b>	<b>Coming</b> <b>Home</b> <b>Campaign</b> <b>£'000</b>	<b>DSSHF</b> <b>£'000</b>
<b>Income</b>	115	11	12	-	-
<b>Expenditure</b>	(85)	(27)	(12)	-	-
<b>(Deficit) / Surplus</b>	<b>30</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>675</b>	<b>(32)</b>	<b>589</b>	<b>-</b>	<b>-</b>

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>INCOME FROM:</b>						
<i>Donations and legacies</i>	2	261	554	-	815	115
<i>Charitable activities</i>						
Provision of housing to beneficiaries		9,527	175	-	9,702	9,275
<i>Profit on sale of assets</i>		449	-	-	449	1,449
<i>Investments</i>		86	8	-	94	125
<i>Other</i>		29	-	-	29	18
<i>Donations of assets</i>		-	-	-	-	-
<b>Total Income</b>		<b>10,352</b>	<b>737</b>	<b>-</b>	<b>11,089</b>	<b>10,982</b>
<b>EXPENDITURE ON</b>						
<i>Raising funds</i>		139	-	-	139	82
<i>Charitable activities</i>						
Provision of housing to beneficiaries		9,254	476	-	9,730	9,324
<b>Total Expenditure</b>	3	<b>9,393</b>	<b>476</b>	<b>-</b>	<b>9,869</b>	<b>9,406</b>
<b>Net Income / (expenditure)</b>		<b>959</b>	<b>261</b>	<b>-</b>	<b>1,220</b>	<b>1,576</b>
<b>Net (losses) / gains on investments</b>		<b>180</b>	<b>8</b>	<b>-</b>	<b>188</b>	<b>55</b>
Recognition of defined benefit pension liability	16	(144)			(144)	-
Actuarial losses on pension scheme liability	16	(109)			(109)	-
Transfers between funds	11	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>886</b>	<b>269</b>	<b>0</b>	<b>1,155</b>	<b>1,631</b>
<b>Total funds brought forward (restated)</b>		<b>49,722</b>	<b>20,003</b>	<b>609</b>	<b>70,334</b>	<b>68,703</b>
<b>Total funds carried forward</b>	10	<b>50,608</b>	<b>20,272</b>	<b>609</b>	<b>71,489</b>	<b>70,334</b>

There are no gains or losses other than as shown above and all activities are continuing.