

REGISTERED CHARITY NO: 1125556

REGISTERED CHARITY IN SCOTLAND NO: SC040058

COMPANY REGISTRATION NUMBER: 06593129

**HAIG HOUSING TRUST
(KNOWN AS HAIG HOUSING)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

**HAIG HOUSING TRUST LIMITED (KNOWN AS HAIG HOUSING)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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The Directors present their report and the financial statements of the company for the year ended 31 March 2016.

CHAIRMAN'S STATEMENT

Haig Housing Trust is a charity established on the initiative of Haig Homes which, at the time, was a charity and a Registered Social Landlord. Haig Housing Trust was created to be a vehicle through which innovative and wide-ranging housing assistance could be provided to wounded veterans of the Armed Forces, free of the restrictions inherent in being a Registered Social Landlord.

Haig Homes successfully de-registered as a Registered Social Landlord in 2011. Following this deregistration, the Board of Directors, after consultation with the Trustees of Haig Homes agreed to merge both charities, which share very similar charitable objects in support of the Service and ex-Service community. Following discussions with Charity Lawyers, the most efficient and effective mechanism of so doing was agreed to be by a Vesting Order. The Vesting Order was granted by the Charity Commission with an effective date of 30 September 2013. The consequence of this Vesting Order has meant that all of the assets and liabilities of Haig Homes were transferred to Haig Housing Trust. The net asset value of this transfer was £36.4 Million.

Both Boards agreed that the merged charity should continue as Haig Housing Trust, and Her Majesty the Queen has graciously agreed to continue Patronage of the new, merged charity.

On amalgamation both Boards have merged to become the Board of Haig Housing Trust and operate in accordance with the Memorandum and Articles of Association of the Trust (revised to reflect the new structure). The working name of the combined charities has become "Haig Housing".

Mr David Stewart OBE retired as both a Trustee and Chairman on 17 September 2015. The Board pays tribute to David Stewart on his leadership and stewardship through the changes reflected above.

These financial statements reflect both the continuing operations of housing estates gifted to Haig Housing Trust and the housing assistance initiatives developed by the Trust.

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.

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Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association, which were last amended in 2013.

Governing Body

The Governing Body consists of 12 independent non-executives Trustees who elect a Chairman from amongst their number. They are all highly experienced in charity and ex-Service matters, and have served for many years as Charity Trustees. Between them they also have expertise in law, medicine, welfare, housing, benevolence, service charities, the Armed Forces and the Charity Sector.

In accordance with the Articles of Association, the minimum number of Trustees is 6 and the maximum 14. The current Trustees are listed later in this report. All Trustees are members of the company; the guarantee of each member is limited to £1. Trustees are elected or re-elected by the members at an AGM or may be co-opted by the board until the next AGM. Election or re-election at an AGM of each Trustee is for a maximum of 3 Years.

A retiring Trustee whilst eligible for re-election can only, usually, serve on the board for a maximum of 9 years.

All new Trustees are given an extensive induction programme and are asked to adhere to the Trust's Trustee Code of Conduct. Trustees are kept up to date with developments through regular bulletins and training where appropriate and the organisation is regularly updated on Trustee governance.

Organisational Management

The Trustees of the Charity meet formally every quarter as a committee of management. Trustees follow a standing agenda, review progress and determine the strategies needed to meet the changing needs and aspirations of the charity's beneficiaries.

In addition to meeting formally as a full board, the Trustees delegate specific issues to various Committees that report to the full board. The current Committees are as follow:

- Audit & Risk Committee
- Nomination and Remuneration Committee
- Management Committee

The day-to-day management of the Charity'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. The committee meets at least four times a year and includes a beneficiary tenant from Scotland.

Remuneration Policy

The Trust's remuneration Policy was formulated in November 2013. After external benchmarking by Capita Haig salaries were aligned to the 50 percentile rate for role and location as assessed by Capita.

This policy was updated in November 2014. After agreement of a new strategy to grow and develop the charity the Nomination and Remuneration Committee agreed that the target rate would be at a 60 percentile rate recognising the additional workload on staff. Salaries for all staff will be adjusted to this 60% rate over the forthcoming years.

Following conclusion of a 4-5 year period of achieving target, another external validation will

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be undertaken to confirm adjustments and recognition of any additional factors that have emerged in the intervening period.

Investment Policy

Until December 2015, all investments were managed by professional managers who were given the investment objective to achieve a 'balanced' return with a 'medium/high' risk profile. This strategy was changed in December 2015 to create a lower risk profile. To achieve this new objective, £500k was withdrawn to be held as cash on a term deposit. The managers were asked to change the residual investments to a 'growth' objective but with a 'medium' risk profile.

Investment is via a range of investment grade fixed interest securities, equities that are principally 'blue chip' in nature and collective funds for specialist and international exposure. As there is no immediate income requirement the income is reinvested.

No initial investment can exceed 10% of the value of the portfolio at the time of purchase and no single equity holding should exceed 5% of the value of the portfolio at the time of purchase.

Trustees have applied maximum/minimum bands to equity/bond weightings. They are to be notified if Equity / Commercial Property: Bond / Cash / Alternatives ratio goes above 85:15 or below 70:30

Public Benefit

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

Principal Activities

The principal activity of the company 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

BOARD POLICY

The Charity provides, maintains and allocates 1,438 homes in the UK for the ex-Service community. Of these 48 have been purchased under a Shared Ownership agreement for and with disabled veterans who have suffered life changing injuries caused in recent conflicts. The remaining homes are spread throughout the UK in 60 estates located in 47 local authority areas. These estates vary from just 2 homes per location up to Morden, Surrey, which has 270 family housing units of between 2 and 5 bedrooms to meet beneficiaries need.

The Charity maintains equity of between 25% and 75% in Shared Ownership homes charging a modest 3% rent on the element of equity it retains. The remaining general needs housing is wholly owned by the Charity and charges a charitable rent set below the Local Housing Allowance threshold (typically 80% but limited to 85% by direction of Trustees).

The Charity has established a leading role in the ex-Service housing sector. The Chief Executive was elected as an Executive Board Member and is also Co-Chair of the grouping (Cluster) of Ex-Service housing charities who are members of the Confederation of Service Charities (Cobseo) 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 and adapted 13 Shared Ownership homes over the year. The Trust maintains firm and resilient links to the Service Charity sector through membership of the Cobseo Executive Board and Chair of the Housing Cluster.

This year 1 of the ex-Servicemen who had previously bought their homes using this scheme purchased the remaining equity in their homes bringing the total since project inception to 11. The Trust now has no stake in these homes but monitors the success of the disabled Serviceman should assistance be needed again in the future. The funds these have released have been used for new purchases

The Trust has bought 2 properties in Clevedon, Somerset to move 2 elderly beneficiaries' families to housing more suited to their needs. It will, in due course, dispose of the old properties once all covenant conditions have been met. The Trust has continued to buy property with the aid of the Veterans Accommodation Fund (VAF) Grant in Aldershot and Colchester - 13 and 15 respectively

The Trust has been gifted 25 derelict cottage properties in Manchester. The first 8 of these were refurbished as part of the BBC programme DIY SOS providing 5 dwellings. The trust will refurbish the remaining 17 creating 14 more homes in the coming year. Had these properties not been granted at nil cost, the Trust would not have embarked on the refurbishment programme.

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. The results for the Foundation have been fully consolidated into the accounts of the Trust as a subsidiary charity using acquisition accounting. It is expected that the cottages will be transferred to Haig Housing in the near future after which the Foundation will become dormant.

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Haig Housing Trust continues to maintain and improve its stock through a forward cyclical plan for its properties. During the year 7,710 separate works were completed including 16 bathrooms, 18 kitchens, 40 external redecorations and 130 heating systems. The repairs and works resulted in a 94% good or very good satisfaction responses.

The management of void property has delivered slightly better than the 2% target set resulting in a surplus of rents received over budget. While this is applauded it is the benefit to applicants and the ability to house 121 new applicants that is the real outcome.

The Trust's fundraising activities were once again very successful in raising money while at the same time widening the profile and knowledge of the Charity. We were one of 6 beneficiaries of "Blood Swept Lands and Seas of Red"; the magnificent installation of 888,246 Ceramic Poppies in the Tower of London Moat. Although the event was held in the previous financial period the Trust continued to benefit from generated funds. Our contribution to the Tower of London spectacular was recognised in being made the Constable's charity of the year allowing us to raise funds through a gala event at the Tower celebrating HM Queen Elizabeth II, our patron, as our longest reigning monarch. Medium and lower profile events continued to raise funds through the retail of merchandise and sponsorships for endurance events and collections. Knowledge of and interest in the Trust and its activities has increased significantly through our social media activities and awareness raising events such as the successful Ladies Lunch which has gathered new, and influential, supporters.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The figures below refer to the consolidated results for the year

The Trust has generated a surplus of £3.5m against £17.5 Million in 2015. The results for 2016 include the following unusual items

- Integration of the Net Assets of the Disabled Soldiers' and Sailors (Hackney) Foundation (DDSHF) £2.8 Million
- A charge of £215k arising from adopting FRS 102 for the first time

The large variation in income over the 2 years is explained by the following key donations received in 2015 which were not repeated in 2016:

- Ministry of Defence (for Veterans Accommodation Projects) £ 14.6 Million
- Historic Royal Palaces (Tower of London Remembers) £ 1.4 Million

In accordance with UK GAAP, donations and grants received for property purchases or 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 as depreciation.

Rents and related income increased from £8.2 Million to £8.8 Million due to the increase in the number of properties in 2016 over 2015 and a small increase in rents charged.

Total resources expended amounted to £9 Million (2015: £7.6 Million) Of this £400K was attributed to being the direct costs of fundraising. Other key items were direct property costs including repairs of £4.9 Million; direct staff costs of servicing tenants £1.4 Million; support costs of £1.4 Million and depreciation of £866K.

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It needs to be noted that 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 to reduce expenditure on reactive repairs. As with any change programme, total expenditure on repairs increased in 2016 over 2015. It is encouraging to note that feedback from the pilot studies suggest that the service level has been a lot better. This programme will continue in 2017.

Total Capital Expenditure in 2016 was £5 Million of which £4.9 Million was spent on increasing our housing stock and the remainder in respect of our on-going fixed assets replacement programme. The Charity holds £2.7 Million of investments. Of this, £500K is held on long term deposits as cash and the remainder as Accumulation Funds 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 the Accumulation Funds on a discretionary basis, within the ranges set out in the Trusts Investment Policy. During the year 2015/16 investments, like the market in general have decreased in value.

Cash at bank was £16.6 Million compared to £19.3 Million at 31 March 2015. This reflects the expenditure on new housing properties. For the financial year 2016/17 Trustees have approved capital expenditure of approximately £7 Million and a further £16 Million in the following 4 years. This is virtually all on additional Housing Properties.

Total net assets were £67.2 Million compared to £63.8 Million in 2015. These are all represented by various reserves (details are per the Reserves Policy note below). It needs to be noted that these figures incorporate the addition of £676k of deferred pension fund liabilities which have been brought onto the balance sheet for the first time this year due to the application of new accounting regulations (FRS102 SORP).

The majority of the Trust's reserves are represented by investment in its housing properties. The Charity retains the capacity for further borrowing, if required, provided the borrowing costs and repayments are supported by its cash flows.

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 risk assessment is carried out periodically by the Directors and risks are identified and assessed for impact and probability. The Trust's Directors monitor the plans to control the major risks through regular reporting of both risk management and internal control systems. The Trust has established systems to mitigate those risks.

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 and is confident that it has the financial resources necessary to deal with unforeseen problems. The Trust also carries Reserves to be able to withstand the risks associated with the above.

Recent government pronouncements on Welfare reform in terms of rent capping, Local Housing Allowance and room under occupancy have been assessed and any adverse effect have been fully costed in future financial years. In addition, the financial plans for the next 5

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Years include a provision for the effects of this

The Trust is venturing into developing properties at selected sites. Trustees are aware of the financial and operational risks associated with development projects. The progress on these projects and risks associated with such are reviewed on a regular basis.

Another area of risk the Trust faces is the interest rate risk associated with Loan Finance. The Trust has limited its exposure by ensuring all loans are at an affordable fixed rate.

RESERVES POLICY

Reserves are split into restricted and unrestricted reserves (consisting of designated and general reserves).

Restricted reserves are donations, grants or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall objectives of the Trust.

Designated reserves are unrestricted reserves that have been designated by the Trustees for specific purposes, the largest being the amount invested in fixed assets for use by the Charity.

General reserves not held as restricted or designated reserves are available for use at the discretion of the Trustees for the furtherance of the Trust's activities and objectives. At 31 March 2016, these stood at £3.4 Million. The current strategy agreed by the Trustees is to use these for development purposes as well as acquiring new properties or funding other housing solutions for beneficiaries.

Trustees have examined the future cash flow plans and can confirm that the reserves currently available support the agreed strategy. During forthcoming years, surpluses will add to these and planned house purchases will deplete them.

The Trust faces inherent risks associated with the timing of rent receipts arising from either changes in beneficiaries personal circumstances or due to the effects of changes in legislation in respect of welfare payments. Equally to continue to provide a service to beneficiaries or to comply with new legislation, there may be a need to make unscheduled and unexpected adjustments or repairs to properties to make them habitable.

The Trust's ambition is to maintain general reserves of £2.5 Million, sufficient to allow for the above unexpected fluctuations in cash flows arising from the above.

FUTURE PLANS

The strategy for the Trust approved in 2014 has set the Trust on a path of expansion to meet the accelerating demand for housing assistance. The Veterans' Accommodation Fund of £40 Million was dispersed by the MOD with the Trust receiving 35% of the granted funds. Together with matched funds a resource pool of £25 Million is available for use in the acquisition and development of new homes for Veterans. The MOD grant money will part fund the delivery of 121 new homes for Veterans in Morden, Scotland, Aldershot and Colchester (28 have been purchased as explained above with a further 10 to be purchased next financial year.

The Trust will continue to buy and adapt homes for the wounded as they exit the injury and care pathway. This is expected to continue for the next few years although the demand will fall from the peak of activity. Discussion is underway to define the relationship with Help for Heroes once the current pathway is cleared. Assistance will continue to be needed albeit at

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lower demand than the peak of the recent conflicts.

We continued to benefit from the sale of poppies from the extraordinary event of 2014; Blood Swept Lands and Seas of Red. Two large cash sums were donated as the CIC account was wound up by Historic Royal Palaces.

The executive moved the emergency and responsive repair provision to two national organisations providing measurable and contract enforceable performance standards. It has been deemed a success greatly improving standards while making a cost saving compared to the previous arrangement. This success is being examined and now trialled for the general building facilities management programme. This initiative is viewed as successful and more property has been transferred to this method of repair. The Trust will select its national Repair Contract partner by the end of Financial year 16/17.

A further initiative is underway to renovate properties in Manchester as part of a BBC programme, which will provide 19 more veterans' homes.

The Trust is financially robust and generates a reasonable surplus every year with significant additions of fundraising income. The on-going maintenance of its property assets is sufficiently funded such that the charity can consider future development and expansion beyond the 121 homes delivered with VAF money. The strategy also identifies current assets that could be developed or disposed that will continue to provide a cash resource stream for the Trust for the medium term.

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BOARD OF DIRECTORS

The Directors serving during the financial year and until the signing of this report were:

Mrs C Lester-Walker MBE (Chairman)
Mr D P Stewart FCA OBE (Retired 17 September 2015 and Chairman until then)
Ms G Arthur (Retired 17 September 2015)
Mr R Bengougam (Appointed 17 September 2015)
Ms C Betteridge (Appointed 17 September 2015)
Mr P Cleminson CBE
Mr S M Elliott (Appointed 17 September 2015)
Mr P C M Girling (Retired 17 September 2015)
Mr P B R Houghton
Gp Capt R G Kemp CBE QVRM AE
Major General J Milne CB
Surgeon Captain R Ross RN
Wing Commander T Underwood RAF
Mr N G White (Appointed 17 September 2015)
Mr D G Williams (Appointed 17 September 2015)

LEGAL AND ADMINISTRATIVE DETAILS

CHIEF EXECUTIVE James Richardson MBE MA FCiM

COMPANY SECRETARY Rakesh Gulati BA FCA CiM MBA

REGISTERED CHARITY NO. 1125556
England and Wales

REGISTERED CHARITY NO. 040058
Scotland

REGISTERED COMPANY NO. 06593129
Limited by guarantee

REGISTERED OFFICE Alban Dobson House
Green Lane
Morden, Surrey, SM4 5NS

BANKERS Barclays Bank plc
50 Pall Mall
London, SW1A 1QF

SOLICITORS Trowers & Hamlins LLP
3 Bunhill Row
London, EC1Y 8YZ

AUDITORS Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London, EC4Y 8EH

Directors' Responsibilities

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The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the directors 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 charitable company and of the net incoming / outgoing resources for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- follow the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 company will remain in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) and the charity's constitution. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Crowe Clark Whitehill LLP have expressed their willingness to continue in office. A resolution by the Council of Trustees to reappoint Crowe Clark Whitehill LLP will be proposed at the forthcoming Annual General Meeting.

The trustees' report including the strategic report was approved by the Board of Trustees on 29 June 2016 and signed on its behalf by:



Mrs C Lester-Walker MBE
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAIG HOUSING TRUST

We have audited the group and parent company financial statements of Haig Housing Trust for the year ended 31 March 2016 set out on pages 14 to 29. These accounts have been prepared in accordance with the accounting policies set out therein.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and Strategic Report to identify material inconsistencies with the audited financial statements to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

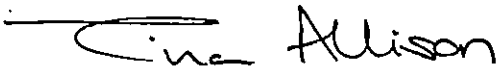
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report or Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company 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.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

21 September 2016

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total 2016 £'000	Total 2015 £'000
INCOME FROM:						
<i>Donations and legacies</i>	2	659	243	-	902	16,167
<i>Charitable activities</i>						
Provision of housing to beneficiaries		8,641	118	-	8,759	8,248
<i>Other fundraising trading</i>		-	-	-	-	370
<i>Investments</i>		127	14	-	141	75
<i>Other</i>		20	-	-	20	45
<i>Donations of DSSHF net assets</i>		-	2,768	-	2,768	-
Total		9,447	3,143	-	12,590	24,905
EXPENDITURE ON						
<i>Raising funds</i>		381	11	-	392	386
<i>Charitable activities</i>						
Provision of housing to beneficiaries		8,502	110	14	8,626	7,212
Total	3	8,883	121	14	9,018	7,598
Operating surplus / (deficit)		564	3,022	(14)	3,572	17,307
Net (losses) / gains on investments		(93)	(11)	-	(104)	255
Transfers between funds		518	(518)	-	-	-
NET MOVEMENT IN FUNDS		989	2,493	(14)	3,468	17,562
Total funds brought forward		47,954	15,131	688	63,773	46,211
Total funds carried forward	10	48,943	17,264	674	67,241	63,773

There are no gains or losses other than as shown above and all activities are continuing. Detailed comparative information is provided in the note 21. Notes 1 to 21 form an integral part of these accounts

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2016

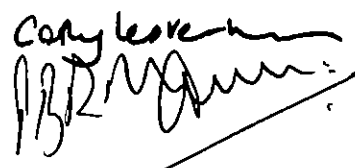
	Notes	Group		Charity	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
FIXED ASSETS					
Tangible assets	5	51,392	44,957	48,692	44,957
Investments	6	2,711	2,815	2,711	2,815
Total fixed assets		54,103	47,772	51,403	47,772
CURRENT ASSETS					
Debtors	7	470	432	468	432
Cash at bank and in hand		16,712	19,371	16,628	19,371
		17,182	19,803	17,096	19,803
CREDITORS: due within one year	8	(1,861)	(1,639)	(1,853)	(1,639)
NET CURRENT ASSETS		15,321	18,164	15,243	18,164
TOTAL ASSETS LESS CURRENT LIABILITIES		69,424	65,936	66,646	65,936
CREDITORS: due after one year	9	(1,507)	(1,645)	(1,507)	(1,645)
PENSION OBLIGATION	16	(676)	(518)	(676)	(518)
NET ASSETS		67,241	63,773	64,463	63,773
TOTAL CHARITY FUNDS					
Endowment funds		674	688	674	688
Restricted income funds		18,106	15,132	15,414	15,132
Unrestricted funds					
Designated reserves		45,106	42,547	45,106	42,547
General funds		3,355	5,407	3,269	5,407
TOTAL FUNDS	10	67,241	63,773	64,463	63,773

Company number 06593129

The financial statements were approved and authorised for issue by the Council of Trustees on
29 June 2016, and were signed on its behalf by:

C Lester-Walker MBE Chairman

P B R Houghton Trustee



HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by operating activities	14	<u>2,035</u>	<u>18,299</u>
Cash flows from Investing activities			
Interest and dividends received		141	75
Proceeds from the sale of property, plant and equipment		439	549
Purchase of property, plant and equipment		<u>(5,022)</u>	<u>(4,568)</u>
Net cash used in investing activities		<u>(4,442)</u>	<u>(3,944)</u>
Cash flows from financing activities			
Interest payable		(118)	(127)
Loan repayments		<u>(134)</u>	<u>(129)</u>
Net cash used in financing activities		<u>(252)</u>	<u>(256)</u>
Change in cash In the reporting period		<u>(2,659)</u>	<u>14,099</u>
Cash at the start of the reporting period		<u>19,371</u>	<u>5,272</u>
Cash at the end of the reporting period		<u>16,712</u>	<u>19,371</u>

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES AND CHARITY INFORMATION

Charity 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.

Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

Having reviewed the financial position, 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.

Consolidation

The consolidated accounts incorporate the accounts of the Trust and its subsidiaries "Coming Home Campaign Limited" and Disabled Soldiers' Sailors' (Hackney) Foundation. They are consolidated on a line by line basis. The Trust has taken advantage of the exemption available under s408 of the Companies Act not to present an unconsolidated Statement of Financial Activities.

Reconciliation with previous Generally Accepted Accounting Practice

Haig Housing Trust has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 20.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates, 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.

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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 amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds 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. Investments in subsidiary undertakings are held at cost less impairment.

At the balance sheet date the charity held financial assets at amortised cost of £17,468,000 (2015 £20,050,000). Financial assets at fair value through income or expenditure of £2,211,000 (2015 £2,315,000) and Financial liabilities at amortised cost of £3,062,000 (2015 £2,946,000)

b) Incoming resources

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. 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.

c) Pension Costs

The cost connected with all pension schemes is charged to the Statement of Financial Activities as contributions fall due.

d) 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:

Freehold offices	2.0%
Office equipment	33.3%
Motor vehicles	33.3%

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (CONTINUED)

e) Expenditure allocation

Expenditure is 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.

f) 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.

g) Funds

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.

2. VOLUNTARY INCOME

	Unrestricted £'000	Restricted £'000	2016 £'000	2015 £'000
Veteran's Accommodation Fund	-	-	-	14,600
Tower of London Poppies	214	-	214	1,013
Help for Heroes	-	293	293	250
Legacies	-	-	-	168
Other donations	345	50	395	136
	<u>559</u>	<u>343</u>	<u>902</u>	<u>16,167</u>

3. EXPENDITURE

	2016 £'000	2015 £'000
Raising funds:		
Staff costs	99	190
Other costs	196	42
Support costs	97	154
	<u>392</u>	<u>386</u>

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. EXPENDITURE (CONTINUED)

Charitable activities

Provision of housing to beneficiaries

Staff costs	1,351	1,314
Property repair, servicing and management	4,898	3,881
Interest payable	141	127
Bad debt expense	-	10
Depreciation	886	781
Support costs	1,350	1,077
	8,626	7,190

Support costs

Staff costs	544	474
Other costs	903	757
	1,447	1,231

STAFF COSTS

	2016 £'000	2015 £'000
Wages and salaries	1,539	1,516
Social security costs	166	152
Pension costs	324	310
	2,029	1,978

The average number of employees during the year was as follows:

	2016 No	2015 No
Cost of generating funds	2	4
Provision of housing	28	28
Support costs	11	10
	41	42

The number of employees who earned over £60,000 during the year was as follows:

	2016	2015
£60,001 - £70,000	1	3
£70,001 - £80,000	3	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	1	-

Employer's pension contributions of £33,600 (2015: £40,427) were paid in respect of these higher paid employees.

The total employee benefits of 6 key management personnel of the charity were £555,000 (2015: £582,000K).

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. NET INCOME

	2016	2015
	£'000	£'000
Net income is stated after charging:		
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	5	2
Interest payable	118	127
Depreciation	886	781
Auditor's remuneration	19	19
	19	19

5. TANGIBLE FIXED ASSETS

	Housing properties £'000	Freehold Office £'000	Office Equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2015	53,242	307	645	62	54,256
Additions	7,562	-	160	-	7,722
Disposals	(407)	-	-	(12)	(419)
	60,397	307	805	50	61,559
Accumulated depreciation					
At 1 April 2015	8,549	107	604	39	9,299
Charge for the year	810	6	58	12	886
Disposals	(6)	-	-	(12)	(18)
	9,353	113	662	39	10,167
Net book value					
At 31 March 2016	51,044	194	143	11	51,392
At 31 March 2015	44,693	200	41	23	44,957

Freehold properties above with a net book value of £2.7m do not form part of the Trust's accounts.

	2016	2015
	£'000	£'000
The cost of housing properties comprise:		
Freeholds	46,997	40,651
Long leasehold	12,839	12,030
Short leaseholds	561	561
	60,397	53,242

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

6. INVESTMENTS

	2016	2015
	£'000	£'000
Market value at 1 April	2,815	2,560
Disposals	-	-
Gains on investments	<u>(104)</u>	<u>255</u>
Market value at 31 March	<u>2,711</u>	<u>2,815</u>
Historic cost	<u>1,519</u>	<u>1,519</u>

Investments include £0.5m long term cash deposit with the Royal Bank of Scotland and £2.2m under management by Investec and are represented by holdings in UK and overseas fixed interest, equities and property funds. No investments are material to the portfolio.

7. DEBTORS

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts due from subsidiary	-	-	15	-
Rent debtors	225	183	208	183
Prepayments and other debtors	<u>245</u>	<u>249</u>	<u>245</u>	<u>249</u>
	<u>470</u>	<u>432</u>	<u>468</u>	<u>432</u>

8. CREDITORS: Due within one year

	Group		Charity	
	2016	2015	2015	2015
	£'000	£'000	£'000	£'000
Bank loan	138	134	138	134
Trade creditors	256	292	255	292
Other taxation and social security	-	117	-	117
Accruals	1,161	778	1,154	778
Rent in advance	<u>306</u>	<u>318</u>	<u>306</u>	<u>318</u>
	<u>1,861</u>	<u>1,639</u>	<u>1,853</u>	<u>1,639</u>

9. CREDITORS: Due after one year (Group and Charity)

	2016	2015
	£'000	£'000
Bank loan	<u>1,507</u>	<u>1,645</u>
Loans are repayable as follows:		
Due within one year	138	134
Between one and two years	143	138
Between two and five years	463	446
After five years	<u>901</u>	<u>1,061</u>
Total loans	<u>1,645</u>	<u>1,779</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.

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

**10. ANALYSIS OF NET ASSETS
 BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted funds £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 March 2016 are represented by:-				
Tangible fixed assets	43,168	7,550	674	51,392
Investments	2,465	246	-	2,711
Net current assets	5,493	9,828	-	15,321
Loan due in more than one year	(1,507)	-	-	(1,507)
Pension liability	(676)	-	-	(676)
TOTAL NET ASSETS	48,943	17,624	674	67,241

11. MOVEMENT IN FUNDS

	At 1 April £'000	Incoming resources £'000	Outgoing resources £'000	Gains and transfers £'000	At 31 March £'000
Permanent Endowment	688	-	(14)	-	674
Restricted fund					
Veterans	14,580	-	-	-	14,580
Accommodation DSSHF	-	2,804	(26)	-	2,778
Disabled Officer Garden Homes	(21)	82	(84)	-	(23)
Gulf War Fund	20	-	-	-	20
Coming Home	275	243	-	(518)	-
Mrs Willie James Fund	277	14	(11)	(11)	269
Total restricted funds	15,131	3,143	(121)	(529)	17,624
Unrestricted funds					
Designated funds:					
Fixed asset fund	40,787	-	(886)	3,267	43,168
Leasehold liability fund	117	-	-	-	117
Pension reserve	405	-	-	271	676
Revaluation reserve	1,238	-	-	(93)	1,145
Total designated funds	42,547	-	(886)	3,445	45,106
General funds	5,945	9,447	(7,997)	(3,020)	3,837
Total	64,311	12,590	(9,018)	(104)	67,241

Restricted 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 2016 the balance of the fund included properties purchased with a net book value of £4.85m.

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 17.

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

11. MOVEMENT IN 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 17. The deficit on this fund is as a result of significant repairs and maintenance works carried out in the year and will be met from future surpluses as these works are now complete.

Gulf War Fund

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

Coming Home

These funds comprise amounts donated to provide housing to injured service men and women. Transfers in and out of this fund represent the sale and purchase of shared ownership properties.

Mrs Willie James Charity

Administered by Haig Housing Trust, the funds are used to support a variety of purposes for needy tenants. The fund includes a revaluation reserve of £57,000.

Designated 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

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.

12. CAPITAL COMMITMENTS	2016 £'000	2015 £'000
Capital expenditure at 31 March 2016 that has been authorised by the Council of Trustees but has not been contracted for	6,297	9,952
 13. OPERATING LEASES - LESSOR		
Properties owned by Haig Housing Trust are occupied under short term tenancy agreements which have notice period ranging from 1 week to 1 year. The rental income generated under these agreements over the next 12 months is estimated to be £1,436,000.		
14. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2016 £'000	2015 £'000
Net income	3,572	17,307
Dividends and interest from investments and deposits	(141)	(75)
Movement in pension	158	(14)
Interest payable	118	127
Depreciation charges	886	781
Properties received as donation	(2,700)	-
(Gain) on disposal of tangible fixed assets	(20)	(15)
(Increase) in debtors	(57)	(38)
Increase in creditors	219	226
	2,035	18,299

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

15. ANALYSIS OF THE BALANCES OF NET CASH

	2016 £'000	2015 £'000	Change in year £'000
Cash at bank and in hand	16,712	19,371	(2,659)
Bank loans	<u>(1,645)</u>	<u>(1,779)</u>	134
	<u>15,067</u>	<u>17,592</u>	<u>2,525</u>

16. PENSIONS

Haig Housing Trust participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution 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.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

Tier 1		£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1 st April)	
<hr/>		
Tier 2		£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1 st April)	
<hr/>		
Tier 3		£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 st April)	
<hr/>		
Tier 4		£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 st April)	

The scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

16. PENSIONS (CONTINUED)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISIONS

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Present value of provision	676	518

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Provision at start of period	518	532
Unwinding of the discount factor (interest expense)	9	15
Deficit contribution paid	(57)	(54)
Remeasurements - impact of any change in assumptions	(4)	26
Remeasurements - amendments to the contribution schedule	210	-
Provision at end of period	676	518

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Interest expense	9	15
Remeasurements – impact of any change in assumptions	(4)	26
Remeasurements – amendments to the contribution schedule	210	-
Costs recognised in income and expenditure account	215	41

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

16. PENSIONS (CONTINUED)

ASSUMPTIONS

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.06	1.92	3.02

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Defined contribution scheme

The charity is also a member of the Social Housing defined contribution pension scheme. Contributions to the defined contribution schemes are recognised in the Statement of Financial Activities as they fall due. Contributions for both schemes for the year to 31 March 2016 are expected to be in line with 2014/15.

17. 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. As described in Note 19, the Disabled Soldier and Sailors (Hackney) Foundation (DSSHF) became a subsidiary of Haig Housing Trust during the year. The Foundation's objects are to provide low cost accommodation to ex-servicemen and their families.

In addition, the Trust holds all allotted shares in Coming Home Campaign Limited, a limited company that carries out trading activities on behalf of the charity. A summary of the results of each are shown below:

	DOGH £'000	Mitchell Flats £'000	Clevedon Homes £'000	Coming Home Campaign £'000	DSSHF £'000
Incoming resources	82	11	2	-	36
Outgoing resources	(98)	(19)	(6)	(370)	(27)
(Deficit) / Surplus	(16)	(8)	(4)	(370)	9
Net assets	649	(18)	80	-	80

18. RELATED PARTY TRANSACTIONS

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, Coming Home Limited, as set out below: In 2016 the Charity charged Coming Home Limited management fees totalling £2,000 (2015: £ Nil). In 2016 Coming Home Limited paid gift aid to the charity totalling £368,000 (2015: £nil).

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

19. DISABLED SOLDIERS AND SAILORS (HACKNEY) FOUNDATION

On 30 October 2015, the memorandum and articles of association of the Disabled Soldier and Sailors (Hackney) Foundation was amended so that Haig Housing Trust became able to appoint and remove the members of the charity and so had control of the Foundation. The transfer of assets and liabilities to Haig Housing Trust has been accounted for as a gift and brought in as income at fair value. A summary of the assets and liabilities gifted to Haig Housing Trust is shown below.

	£'000
Tangible fixed assets	2,700
Debtors	2
Bank	75
Creditors	<u>(9)</u>
Total	<u>2,768</u>

20. RECONCILIATION WITH PREVIOUS GAAP

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £19K. In addition, the charity has a commitment to make deficit contributions to the Social Housing Pension Scheme. As set out in Note 16 the initial liability arising from recognition of this commitment as a liability was £533k. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

	1 April 2015 £'000	1 April 2014 £'000
Fund balances as previously stated	64,311	46,763
Short term compensated absences	(19)	(19)
Pension obligation	<u>(519)</u>	<u>(533)</u>
Fund balances as restated	<u>63,773</u>	<u>46,211</u>

HAIG HOUSING TRUST (KNOWN AS HAIG HOUSING)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

21. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total 2015 £'000
INCOME FROM:				
<i>Donations and legacies</i>	1,317	14,850	-	16,167
<i>Charitable Activities</i>				
Provision of housing to beneficiaries	8,178	70	-	8,248
Other Fundraising trading	370	-	-	370
Investments	68	7	-	75
<i>Other incoming resources</i>	45	-	-	45
Total incoming resources:	9,978	14,927	-	24,905
EXPENDITURE ON:				
Raising Funds	386	-	-	386
Provision of housing to beneficiaries	7,079	119	14	7,212
Total Resources Expended	7,465	119	14	7,598
Net Incoming resources for the year	2,513	14,808	(14)	17,307
Gains on investments	239	16	-	255
Gross transfers between funds	(25)	25	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR	2,727	14,849	(14)	17,562
Funds brought forward at start of the year	45,227	282	702	46,211
Funds carried forward at end of the year	47,954	15,131	688	63,773