

# Changing lives together

ANNUAL REVIEW 2019-2020



Behind them. Always.

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# Chairman's Welcome

## It was a great honour to be named Chairman of Poppyscotland in July 2020.

The work of Poppyscotland, and its subsidiary Lady Haig's Poppy Factory, lie at the heart of welfare provision for the Armed Forces community in Scotland. Collaboration and partnership working are central tenets of our operating model and this has perhaps never been more evident and important than during the past year.

It was, and indeed continues to be, a period of unparalleled challenge for Poppyscotland, Lady Haig's Poppy Factory, the Armed Forces community and society in general. When our financial year began in October 2019 no one could have predicted the arrival of a global pandemic, the likes of which the world has not seen in a century.

Our Armed Forces have once again come to the fore at a time of national crisis, selflessly stepping forward and playing a leading role in the battle against Coronavirus. Following their example and drawing on the same values that are evident in the military, Poppyscotland and Lady Haig's Poppy Factory had to rapidly adapt and adjust.

During the year expenditure on our charitable activities increased by 5.6%, despite income reductions. This reflects our ongoing commitment to provide the Armed Forces

community with the services they need in a continually challenging and uncertain environment. Overall group income fell from £8,888k in 2018/19 to £7,146k this year. This was not unexpected and largely down to the cancellation of our spring and summer fundraising programme.

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It has been truly inspiring to see how the charity has adapted and responded during the past year.

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The Poppyscotland Board of Trustees intend to reduce the level of reserves the charity holds in a managed way in the coming years. The pandemic is a salient reminder why reserves are so important, and we are confident that the prudent way these have been managed over the years will enable the charity to not only weather the Covid storm, but to come through it stronger. We intend to cover any budget deficit caused by the pandemic from the existing reserves and have also identified a further £1.58m from reserves to cover the costs of completing the Lady Haig Poppy Factory building compliance project.

It has been truly inspiring to see how the charity has adapted and responded during the past year. Our veterans at Lady Haig's Poppy Factory produced more than one million poppies from home during the lockdown, safeguarding the 2020 Scottish Poppy Appeal in the process. Our incredible network of volunteers adapted their plans to ensure we could deliver a safe and Covid-compliant Appeal. Our staff worked tirelessly to ensure the vast majority of our activities could continue, despite the pandemic. And, together with Legion Scotland and the Scottish Government, we helped to ensure that three major national commemorations were appropriately marked.

That adaptability, collaboration and hard work has resulted in a very strong financial performance in the most challenging of situations. It positions the group extremely well to face what is certain to be a turbulent and fluid period ahead.

The following annual report outlines in more detail some of the activities we have undertaken during the past year and the incredible impact this has had.

In closing I would like to pay tribute to my predecessor as Chair of the Poppyscotland Board of Trustees, Antony Macaulay, and also to Sandy Davison, who recently stepped down as chairman of the Lady Haig Poppy Factory board after sixteen years of dedicated service.



A handwritten signature in black ink, appearing to read 'Jason Coward', written in a cursive style.

Jason Coward  
**CHAIRMAN**



# Financial Performance

## EHFS GROUP FINANCIAL REVIEW

Poppyscotland is a trading name of the Earl Haig Fund Scotland (EHFS). The EHFS group comprises the Earl Haig Fund Scotland (trading as Poppyscotland) and Lady Haig's Poppy Factory.

The group generated income of £7,146k (2019 £8,888) which comprises unrestricted income amounting to £5,201k (2019 £6,263k) and restricted income of £1,945k (2019 £2,625k).

The majority of unrestricted income is generated from the Scottish Poppy Appeal, which raised £2,279k (2019 £2,948k), the equivalent of 44% (2019 47%) of unrestricted income. Whilst it has been a challenging year because of the wider economic conditions and lockdown restrictions due to Covid-19, the charity has adapted and sought new ways of generating income by rolling out a wider digital offering in recognition of these challenges.

Other unrestricted donations and income raised from various fundraising income streams such as raffles, trusts, legacies and regular supporters amounted to £1,837k (2019 £1,712k), an increase of 7%. Despite a direct impact of main events being cancelled due to lockdown restrictions, legacy income has increased from last year.

Income from the investment portfolio generated £391k (2019 £393k) and Lady Haig's Poppy Factory continue to support group activities with the production and distribution of poppies, wreaths and Remembrance symbols and contributed £529k to the group unrestricted income total (2019 £570k).

## INCOME



**£4.6m**

Donations & Legacies



**£606k**

Trading activities



**£1.4m**

Welfare Grants



**£83k**

Other Income



**£391k**

Investment Income

## EXPENDITURE



**£4.7m**

Welfare Services



**£722k**

Manufacturing Costs



**£2.4m**

Raising Funds

Unrestricted expenditure amounted to £6,061k (2019 £6,381k) highlighting a reduction in overall spend. This is reflective of the desire to ensure charitable funds are utilised in the most cost-effective way possible and always striving for value for money. We are met with an increasingly challenging fundraising environment and, in addition to adapting our income generation model, we will continue to control costs to ensure financial sustainability going forward to meet the needs of our beneficiaries.

Whilst overall expenditure has reduced, the cost of charitable activities has increased by 5.6% to £3,419k (2019 £3,233k), which maintains our commitment to the provision of welfare services to support the needs of the ex-Service community in Scotland and reflects the level of resource required to meet the continuing need.

Restricted income and expenditure for the year amounted to £1,946k (2019: £2,625k) and £1,780k (2019: £2,365k) respectively and the Group has total restricted funds of £3,346k (2019: £3,181k) at the year end. Further

details can be found in note 19 of the annual accounts.

During the year, the group have utilised the UK Government furlough scheme and received £156k of income. For the purposes of the accounts this has been treated as a restricted grant income.

### GOING CONCERN

Poppyscotland is a subsidiary of the Royal British Legion and whilst the charity is dependent on the commitment and generosity of the Scottish public to provide funds through the annual Poppy Appeal and a range of other year-round fundraising activities, the level of investment continues to provide financial security to the charity. The Royal British Legion will also ensure that Poppyscotland has sufficient financial resources to deliver all planned services in Scotland and will meet any agreed deficit in funding if required. On this basis, the Trustees are confident the charity will continue to function as a going concern for at least one year from the date of signing the accounts and for the foreseeable future.





# Welfare Services and Support

Many in the Armed Forces community were acutely affected by the Covid-19 pandemic, but we adapted our services to ensure that those in need of support were able to receive it throughout the lockdown.

The closure of our public-facing outlets initially impacted on demand for our services, but as we adjusted to the new normal this steadily returned to historic levels. Our popular welfare centre drop-in sessions moved online, allowing us to maintain regular support for some of our most vulnerable clients. We also initiated a programme of proactive engagement, providing vital contact for those experiencing loneliness, isolation, or poor mental health.

The Welfare Support Service, a new service that was launched in May 2019, provides one-to-one support for veterans with multiple

In just one year, the critical, one-to-one support provided by the team has been phenomenal.

**4**  Welfare Support Officers

**2**  Independent Living Advisers

**990**



**VISITS**

and complex needs. The service received 340 referrals in its first year, with the team of four Welfare Support Officers and two Independent Living Advisers carrying out 990 visits across Scotland during that time. Face-to-face visits were paused during the lockdown but all welfare services have continued to be available remotely.

Collaborative working remains at the heart of our approach to service delivery. Our partnership with Citizens Advice Scotland on the Armed Services Advice Project (ASAP) celebrated its 10<sup>th</sup> Anniversary at the end of June. During the past decade, ASAP has helped 15,950 people with 92,134 issues and secured £17.6 million in client financial gain. This represents a remarkable £4.43 for every £1 invested in the service.

Having secured £750,000 of new funding from the Scottish Government for the Unforgotten Forces consortium, we passed responsibility for leading it to Age Scotland. Over the past three years, Unforgotten Forces provided more than 13,000 instances of support to older veterans in Scotland. Poppyscotland continues to play a supportive role within the consortium.

June saw a major campaign success when the Scottish Parliament passed legislation to add a veterans' question to the next census. This is something that Poppyscotland, together with the Royal British Legion, have been calling for since 2015 and the significance of the introduction of the veterans' questions

cannot be overstated. Poppyscotland, along with other charities and statutory bodies, will soon have a much more accurate picture of the size, location and profile of the Armed Forces community in Scotland.

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Influencing public policy for the benefit of our Armed Forces community is an increasingly important and impactful part of our work.

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Work continues on several other policy areas, including campaigning to scrap unfair visa fees currently being charged to UK military personnel from Commonwealth nations who wish to remain here after service. We will also be launching our first ever manifesto in 2021 ahead of the Scottish Parliamentary elections. Influencing public policy for the benefit of our Armed Forces community is an increasingly important and impactful part of our work.



## Case study Ali Duff

After leaving the army with PTSD, Ali Duff struggled to adapt to civilian life, and found himself in a spiral of debt. Ali initially found it hard to ask for help but eventually approached Citizens Advice Scotland, where he met an advisor from the Poppyscotland-funded Armed Services Advice Project and was referred to our Inverness Welfare Centre. The team there supported Ali to work through the challenges he faced one by one, and put him in touch with a psychologist to help him deal with his PTSD, so that he was able to get his life back on track.





# Fundraising & Learning

The 2019 Scottish Poppy Appeal was among our most successful ever, generating more than £2.2 million. It came after a record year in 2018 when we marked the centenary of the end of the First World War. It demonstrated that the public continue to understand the importance of supporting the Appeal beyond four years of First World War commemorations and provided a strong financial basis for Poppyscotland to withstand the turbulent months that would follow.

Our extensive programme of fundraising that followed the 2019 Poppy Appeal came to a grinding halt in late March with the onset of the Covid-19 pandemic. A concert tour with the Band of the Royal Regiment of Scotland was cancelled, as was our annual Sportive cycling event. Poppyscotland made a successful application to the UK Government's Covid Impact Fund and we were awarded £125,000 to help us to offset the drop in fundraising income caused by the pandemic.

“ We are immensely grateful to all the volunteers and donors who have gone the extra mile to support us during this challenging period. ”

In March Bud, our new mobile learning resource, was forced off the road for the remainder of the year, having clocked up 10,000 miles while visiting more than 130



different schools and events during its first nine months.

May saw us mark the 75<sup>th</sup> anniversary of VE Day, the first of three major commemorations in 2020. While the programme of physical events had to be postponed, together with the Scottish Government and Legion Scotland we adapted our plans and delivered virtual commemorations instead.

In June we collaborated with Legion Scotland and RCET, Scotland's Armed Forces Children's Charity, to commemorate the 80<sup>th</sup> anniversary of the Battle of St Valery. This saw more than 450 pipers from as far afield as Peru and Kathmandu join together in a stunning tribute to the "Forgotten 51<sup>st</sup>".

Then in August we once again worked with the Scottish Government and Legion Scotland to deliver a fitting programme of virtual commemorations. Despite the limitations forced upon us by the pandemic, all three events reached huge audiences, vastly



exceeding our expectations, and arguably engaging more people that we may have otherwise had it not been for the lockdown.

The 2020 Scottish Poppy Appeal was set to be one of the most challenging in its 99-year history with thousands of our volunteers forced to stay at home due to the pandemic. As well as putting plans in place to ensure the safety of those volunteers who were still able to collect, we have also developed a number of innovative new digital fundraising activities, including contactless donations and a virtual Field of Remembrance. Our direct mail programme continued to grow and is our largest income generator outside the Poppy Appeal.

We are immensely grateful to all the volunteers

and donors who have gone the extra mile to support us during this challenging period – their commitment and enthusiasm, and their willingness to embrace new ways of working together, are truly inspiring. Nevertheless, we are bracing ourselves for a significant drop in Appeal income.

Looking ahead to 2021 we are developing exciting plans to mark the centenary of the Scottish Poppy Appeal, which will include Poppy Pledge 2021 following on the success of Poppy Pledge 2018. This will be a major area of focus for the year ahead and presents a significant opportunity for our fundraising income to bounce back as we hope to move beyond the Coronavirus pandemic.



## Case study Alastair Skene

Alastair Skene works as part of the team of disabled veterans that produce poppies and poppy wreaths at the Lady Haig Poppy Factory. He's a keen supporter of Poppyscotland, having been helped to turn his life around after his army career was ended by medical problems. When the 2020 lockdown started, Alastair decided to use his time at home positively and took on the 2.6 Challenge, set up to help charities whose income was hit by the cancellation of events like the London Marathon. Alastair's marathon 26-hour poppy making session raised an incredible total of £2,800 to support our life-changing work.



# Lady Haig's Poppy Factory

The charity's adaptability during the pandemic was perhaps best illustrated by the disabled veterans of Lady Haig's Poppy Factory. Forced to adopt homeworking during the lockdown, they worked tirelessly to safeguard the 2020 Scottish Poppy Appeal by producing more than one million poppies during this time. The Factory was able to reopen on a limited basis in July, allowing for wreath production and dispatch to be ramped up ahead of the remembrance period.

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The charity's adaptability during the pandemic was perhaps best illustrated by the disabled veterans of Lady Haig's Poppy Factory.

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As if the impact of the pandemic was not enough to contend with, torrential rain in August saw the Factory's temporary home at Redford Barracks in Edinburgh submerged in a flash flood, destroying hundreds of thousands of poppies in the process. A week later our permanent home at Warriston Road, which is undergoing a building compliance refurbishment programme, was broken into. As the site was unoccupied nothing was stolen and, thankfully, the area which sustained some malicious damage had not been refurbished.



Work at the Warriston Road site was progressing well with a new roof having been completed just as the lockdown began. The unavoidable pause to the project forced us to extend our tenancy at Redford Barracks by a further nine months, but we are delighted with the progress made since work restarted in June. We now expect the project to be complete by June/July 2021, with the Factory recanting in early July.

We will also implement a new visitor experience in the forthcoming year as part of the redevelopment of Lady Haig's Poppy Factory, ensuring that when members of the public, schools and other groups visit, they have an appreciation for our history and heritage, and leave with a greater awareness of our vital, life-changing work and the need for support that highlights the heritage and learning opportunities that we deliver as an organisation.

# Future Plans

As we look ahead to the remainder of 2020 and into 2021 there is great uncertainty, but Poppyscotland and Lady Haig's Poppy Factory are well placed to meet the challenges that we face.

Having seen a slight drop in demand for our welfare services at the outset of the pandemic, we anticipate the full economic and social impacts to be acutely felt in 2021 as we move out of lockdown. Together with the Royal British Legion, we are undertaking a review of our welfare offering to ensure that we continue to adapt to the changing needs of the Armed Forces community.

At the same time, working with the Royal British Legion, we are identifying

opportunities to consider greater integration and alignment of our services and approach where appropriate. Doing so will enable us to realise the benefits from economies of scale and shared systems, whilst maintaining the iconic Poppyscotland and Lady Haig's Poppy Factory brands, charitable aims and traditions.

Although it has been delayed by several months due to the restrictions of the past year, we are confident that the building compliance work at Lady Haig's Poppy Factory will be complete by the middle of 2021. We can look forward to having a vastly enhanced facility that will not only safeguard the future production of poppies and wreaths



but also provide another valuable component to our learning and outreach offering. This will complement the wealth of existing online resources and come at a time when we expect Bud to be back on the road, building on its very promising start.

The 2020 Scottish Poppy Appeal is arguably the most important in our history as we look to deliver a Covid-compliant appeal that keeps our staff and volunteers safe, but which also generates the vital income that will enable us to deliver our welfare services in the year ahead. We also look forward to restarting our full portfolio of year-round fundraising activities as soon as it is safe to do so.

With the 2021 Scottish Parliament elections on the horizon, we will be calling on all parties to support our first ever manifesto. It has been informed by evidence, experience and developed in consultation with the beneficiaries we support. It is our hope that the six recommendations we have set out in the manifesto will be taken forward by the next Scottish Government and result in significant improvements to the lives of many in our Armed Forces community, complementing the services already being delivered by so many statutory and charitable organisations.

While the future landscape looks uncertain, Poppyscotland and Lady Haig's Poppy Factory can look forward with confidence.

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While the future landscape looks uncertain, Poppyscotland and Lady Haig's Poppy Factory can look forward with confidence.

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Steadfast leadership over many years has ensured that the group is in a very healthy financial position, but we must cut our cloth accordingly if we are to maintain this position. Having implemented a more robust governance structure and financial framework over the past year, we will maintain a prudent approach whilst ensuring that we deliver the full range of welfare services that our Armed Forces community need and deserve.



*Mark Collins*

Mark Collins

**INTERIM CHIEF EXECUTIVE**

## Reference and **administration information**

### **Chief Executive**

Mark Bibbey (*resigned 30/06/2020*)  
Mark Collins (*appointed 01/07/2020*)

### **Head of HR and Administration**

Pam Beattie

### **Head of Fundraising**

Gordon Michie

### **The Lady Haig Poppy Factory Manager**

Charlie Pelling

**Registered and Principal Office** New Haig House, Logie Green Road, Edinburgh EH7 4HQ

**Charity Registration Number** SC014096

**Registered Company Number** SC194893 (Scotland)

### **President**

Lieutenant General Sir Alistair Irwin KCB CBE MA FCMI Finst CPD

### **Trustees**

Colonel Allan Lapsley

Joe Falzon

Antony Baines (*appointed 19/10/2020*)

Patrick O'Meara

Jason Coward (*appointed 16/07/2020*)  
(*Chairman*)

### **Company Secretary**

Luke Joannou

### **Legal Adviser**

Gillespie Macandrew LLP,  
5 Atholl Crescent, Edinburgh, EH3 8EJ

### **Investment Advisers**

Sarasin and Partners LLP, Juxon House,  
100 St Paul's Churchyard, London, EC4M 8BU

### **Head of Finance**

Jennifer McCartney (*resigned 25/09/2020*)  
Donna Paton (*appointed 21/10/2020*)

### **Head of Marketing and Communications**

Fraser Bedwell

### **Head of Welfare Services**

Gary Gray

Charles Byrne (*resigned 19/10/2020*)

Antony Macaulay (*resigned 16/07/2020*)  
(*Chairman*)

Professor Alexander Davison (*resigned 19/10/2020*)

Brigadier (ret'd) Dr John R Thomson  
(*appointed 19/10/2020*)

### **Auditor**

Deloitte LLP, Hill House, 1 Little New Street,  
London, EC4A 3TR

### **Bankers**

The Royal Bank of Scotland, 36 St Andrew  
Square, Edinburgh, EH2 2YB  
Lloyds Bank PO Box 1000 Andover

The full annual report and financial statements are available from Companies House and on the Poppyscotland website.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE EARL HAIG FUND SCOTLAND

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# Report on the **audit of the financial statements**

### Opinion

In our opinion the financial statements of the Earl Haig Fund Scotland and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 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, including Financial Reporting Standard 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the consolidated and company statement of financial activities (incorporating an income and expenditure account);
- the consolidated and company balance sheet;
- the consolidated cash flow statement; and
- the related notes 1 to 27.

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).

### 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 group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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 group's and the parent 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.

We have nothing to report in respect of these matters.

## 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 respect of these matters.

## 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 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, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the financial statements

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

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

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

## Report on other legal and regulatory requirements

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

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

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

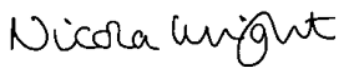
Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept, by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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.

We have nothing to report in respect of these matters.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Wright, ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Newcastle upon Tyne, United Kingdom

21 June 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## THE EARL HAIG FUND SCOTLAND

# Consolidated statement of financial activities

(incorporating the income and expenditure account)

Year ended 30 September 2020

	Note	2020 Unrestricted Funds £'000	2020 Restricted Funds £'000	2020 Total Funds £'000	2019 Unrestricted Funds £'000	2019 Restricted Funds £'000	2019 Total Funds £'000
<b>Income from:</b>							
Donations and legacies	2	4,167	459	4,626	4,660	438	5,098
<u>Charitable activities</u>							
Welfare grants	3a	42	1,398	1,440	611	2,174	2,785
Trading activities	3b	529	77	606	570	-	570
		571	1,475	2,046	1,181	2,174	3,355
Other trading activities		-	-	-	1	-	1
Investments	4	380	11	391	401	13	414
Other	5	83	-	83	20	-	20
<b>Total Income</b>		<b>5,201</b>	<b>1,945</b>	<b>7,146</b>	<b>6,263</b>	<b>2,625</b>	<b>8,888</b>
<b>Expenditure on:</b>							
Raising Funds	6	2,016	397	2,414	2,562	413	2,975
<u>Charitable activities</u>							
Welfare Services	8	3,419	1,287	4,706	3,233	1,663	4,896
Poppy Manufacturing Costs	7	626	96	722	586	289	875
		4,045	1,383	5,428	3,819	1,952	5,771
<b>Total Expenditure</b>		<b>6,061</b>	<b>1,780</b>	<b>7,842</b>	<b>6,381</b>	<b>2,365</b>	<b>8,746</b>
Net gains on investments	14	238	-	238	483	-	483
<b>Net Income/(Expenditure) for the year</b>		<b>(623)</b>	<b>165</b>	<b>(458)</b>	<b>365</b>	<b>260</b>	<b>625</b>
Transfers between funds		-	-	-	(1)	1	-
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on deficit pension scheme	21	62	-	62	(41)	-	(41)
Gain on investment	4	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(560)</b>	<b>165</b>	<b>(396)</b>	<b>323</b>	<b>261</b>	<b>584</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		10,705	3,181	13,886	10,382	2,920	13,302
<b>Total funds carried forward</b>		<b>10,145</b>	<b>3,346</b>	<b>13,490</b>	<b>10,705</b>	<b>3,181</b>	<b>13,886</b>

There are no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing operations. The notes on pages 17 to 39 form part of the financial statements.

## THE EARL HAIG FUND SCOTLAND

## Balance Sheet

As at 30 September 2020

	Note	Group		EHFS Company	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible assets	12	1,947	1,168	1,947	1,168
Intangible assets	12a	51	-	51	-
Investment in subsidiary	13	-	-	1	1
Investments	14	11,826	11,088	11,826	11,088
<b>Total fixed assets</b>		<b>13,823</b>	<b>12,256</b>	<b>13,824</b>	<b>12,257</b>
<b>Current assets</b>					
Stock	15	439	464	-	-
Debtors	16	825	554	619	463
Cash at bank and in hand		913	2,907	139	687
		<b>2,177</b>	<b>3,925</b>	<b>758</b>	<b>1,150</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(757)	(484)	(1,297)	(695)
Net current assets/(liabilities)		1,420	3,441	(539)	455
<b>Total assets less current liabilities</b>		<b>15,243</b>	<b>15,697</b>	<b>13,285</b>	<b>12,712</b>
Defined benefit pension scheme liability	21	(1,753)	(1,811)	(1,753)	(1,811)
<b>TOTAL NET ASSETS</b>		<b>13,490</b>	<b>13,886</b>	<b>11,531</b>	<b>10,901</b>
<b>Funds</b>					
Restricted funds	18	3,346	3,181	2,443	1,217
<b>Unrestricted funds</b>					
Designated funds		1,330	1,335	1,330	1,333
Revaluation reserve		2,089	1,851	2,089	1,851
General fund		8,478	9,330	7,422	8,311
General funds excluding pension liability		<b>11,898</b>	<b>12,516</b>	<b>10,841</b>	<b>11,495</b>
Pension reserve		(1,753)	(1,811)	(1,753)	(1,811)
<b>Unrestricted funds</b>		<b>10,145</b>	<b>10,705</b>	<b>9,088</b>	<b>9,684</b>
<b>Total funds</b>		<b>13,490</b>	<b>13,886</b>	<b>11,531</b>	<b>10,901</b>

## THE EARL HAIG FUND SCOTLAND

# Group Cash Flow Statement

Year ended 30 September 2020

	Note	2020 £'000	2019 £'000
Cash outflows from operating activities	20	(753)	(163)
Dividends and interest from investments	4	391	414
Gift on investment property		(475)	-
Purchase of investments	14	(24)	(22)
Purchase of intangible assets	12	(51)	-
Purchase of property, plant and equipment	12	(1,082)	(384)
Net cash provided by investing activities		(1,240)	8
Change in cash and cash equivalents in the reporting period		(1,994)	(155)
Cash and cash equivalents at the beginning of the year		2,907	3,062
Cash and cash equivalents at the end of the year		913	2,907

There are no cash equivalents therefore cash and cash equivalents comprise cash at bank.



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