



Poppyscotland Annual Review 2007



poppy
scotland

THE EARL HAIG FUND SCOTLAND

Contents

Chairman's Report	2
Chief Executive's Report	4
Charitable Services	6
Benevolence	6
Advice	9
Support (to Organisations)	10
(Supported) Employment	12
Communications and Awareness	14
Funding our Services	16
Financial Review	18
Auditors' Report	19
Financial Statements	20
Directors, Advisers and Administration	24

ABOUT POPPYSCOTLAND

Poppyscotland supports veterans and their dependants in Scotland.

Money is raised through the annual Scottish Poppy Appeal, which raised a record £1.5 million in 2006, and through other fundraising events.

Money raised is spent in the following ways:

- Providing direct financial assistance to individuals
- Funding an advice service for the veterans' community, including pension claims and appeals
- Providing grants and research to organisations that deliver specialist services to veterans in Scotland
- Supporting the employment of veterans with disabilities in Lady Haig's Poppy Factory



Chairman's Report

This year, in accordance with new recommended practices, we have included within this Annual Review a formal financial summary. This leads to a combined, discursive and numerate chronicle of the year's undertakings. These undertakings have largely involved refining and implementing the operational plan that flowed from the Alfred Anderson review of our activities in support of the veterans' community in Scotland, which I referred to in my report last year.

I am pleased to report that we have fulfilled our pledge to Erskine to support them, in cash to the extent of £1.5m and in kind with the gift of a site, to enable them to provide a 46-bed care home in Anniesland, Glasgow, at the location previously occupied by our former home, Flanders House. The new home is expected to be ready for occupancy in October 2007.

Veterans Scotland is an umbrella body for ex-Service organisations that aims to represent the needs of the veterans' community in an appropriate and constructive way so that their needs are better understood by statutory authorities. Through open dialogue member organisations are able to share best practice and prevent duplication.

Another positive change that is already having an impact on the funding of ex-Service charities is a widening of the acceptance criteria for requests for grants from the Scottish National Institution for the War Blinded.

"One notable achievement has been the streamlining of the delivery of grants to individuals and organisations. We have also formed a partnership with the Glasgow Consortium of Citizens Advice Bureaux with a view to finding the most efficient way of improving the delivery of advice to the veterans' community."

Recently Veterans Scotland reviewed its structure and agreed to form four pillars of work: Care, led by Erskine; Membership, led by the Royal British Legion Scotland; Housing, led by Scottish Veterans' Residences; and Support, where Poppyscotland undertakes to underpin the other three pillars through funding and intelligence-gathering.



We have made a number of changes to our fund-giving and fund-raising functions. The Charitable Services Department is now concentrated in Edinburgh. One notable achievement has been the streamlining of the delivery of grants to individuals and organisations. We have also formed a partnership with the Glasgow Consortium of Citizens Advice Bureaux with a view to finding the most efficient way of improving the delivery of advice to the veterans' community.

To complement the Department's work we have formed a Charitable Services Committee, which acts as an advisory body for the Department. Its members have a wide array of skills and experience of relevance to our work. As and when our priorities change our intention is to co-opt new members with relevant skills or knowledge. The committee members engage with the Charitable Services Department to guide them in their work. The aim is to add professional value to the Department.

There have also been changes in our Development Department. I hope the most obvious has been the re-branding to Poppyscotland whilst retaining the name of Earl Haig Fund Scotland, achieved through consultation with Lord Haig, one of our Vice Presidents. We have taken on new staff with the necessary skills and experience to increase the results of the annual Scottish Poppy Appeal and to expand fundraising initiatives at other times of the year. We set a target to increase the Appeal in 2006 by 5% and we achieved that. The target for next year is yet more challenging.

In this connection we recognise that the staff at New Haig House can achieve little on their own and we appreciate that the money is collected by our army of volunteers who take to the streets carrying our poppy

cans, under the direction of conveners, throughout the land. As ever I pay tribute to them all, a significant number of whom come from the membership of the Royal British Legion Scotland.

Examples of new initiatives that we did not previously have the experience to organise are Run the Road, a mass participation sponsored, cycle, run and walk, in the south of Glasgow, and a spectacular opera gala evening. Based on these and other activities, the Development Department will be seeking to expand our income streams, enhancing the work of the Charitable Services Department, which otherwise would not be possible.

On the one hand I am saddened by the constant reminders in the media that the need for our service remains, but I am also heartened by the number of young people who espouse our cause in a world where volunteering seems less popular than it once was. To all our supporters, young and old, I express our profound appreciation.



Colonel D A Scott OBE TD, Chairman

Chief Executive's Report

In our respective reports last year, the Chairman and I both highlighted how the charity's focus at that time was a year-long strategic review of the organisation - known as the Alfred Anderson Plan. The main purpose was primarily to ensure that our understanding of our beneficiaries' needs was as up-to-date as it possibly could be, allowing us to then plan appropriate activities to support those needs.

I am, therefore, very pleased to report that we published our Meeting the Need report in June 2006 and used this to develop our 2007-2009 Operational Plan - approved by the Board in December 2006.

During our work on the Meeting the Need report, we talked to 30 different service providers in Scotland about the support they offer to veterans as well as their understanding of the current needs. We also surveyed 327 veterans in order to get a view of the type and scale of certain difficulties that they now face. After analysing the information gathered, we discovered that the level of need far outstretches the current availability of support.

This allowed us to recommend changes to the way we deliver support and we began the implementation of these in the latter part of 2006. I am very pleased that these adjustments have already led to some significant improvements to the way in which we operate. We have started to expand the types of support we offer and have improved the speed of administration to reduce the delay in getting support out to where it is needed.

"We are building upon our inherent strengths and capabilities. It is very important that we focus on what is working well and ensure that we protect those areas as we build new initiatives."

More importantly, though, is the use of the Meeting the Need findings in influencing our thinking about the longer term future. We can now estimate that, despite an overall reduction in the size of the veterans' community, the level of need in 2025 will still be more than we can meet with the current levels of available services. It is that finding,



above all, that gives us the confidence to expand our activities and services, in partnership with other charitable and public service providers.

Our work within the Veterans Scotland group of ex-Service organisations has progressed extremely well over the last year. We now play a key part in leading co-operation between organisations involved with funding individual need, funding other organisations, providing supported employment and with ongoing research into the changing needs of the veterans' community.

The Board has given the go-ahead for a significant level of very positive and essential change and we are now well into the detailed activities associated with that. In doing so, we are building upon our inherent strengths and capabilities. It is very important that we focus on what is working well and ensure that we protect those areas as we build new initiatives.

I recently travelled to the WWI battlefields around the Ypres Salient and the Somme with 134 school pupils from Dunbar. It was extremely heartening and encouraging to witness our future generation of supporters engage with the history and heritage that forms the foundation of our organisation.

I was left in no doubt that the next generation really does care about the work that we do. We must, however, continually develop more up-to-date methods of getting our strong message across to them in order to stand out from the crowd of charitable organisations appealing for their support.

Of course, we currently benefit from the considerable efforts of our many volunteer supporters; whether they are Board or committee members, conveners, collectors,

sponsors, donors or other organisations. We could not achieve a fraction of the things we do without you and I extend my own very sincere thanks to you for your enormous efforts and continuing support.



Mr J W Panton, Chief Executive

Charitable Services

We set out to

- Gain a better understanding of the needs of the veterans' community in Scotland so that we could tailor our services to better meet these needs
- Improve the way we administer benevolence across Scotland
- Increase awareness amongst the veterans' community of the support available from Poppyscotland

In the last year we

- Undertook an in-depth study that compared the needs of the veterans' community in Scotland with the support currently provided by the many ex-Service organisations
- Produced a report - Meeting the Need - the findings of which helped us to focus and define our objectives in four key areas: BASE - Benevolence, Advice, Support (to specialist veterans' organisations) and (supported) Employment
- Streamlined our delivery of benevolence to one central point so that we could deliver our services in a more efficient and consistent manner
- Put a strong emphasis on communications being at the forefront of our work to reach new audiences

We spent

- £2.4 million on our charitable activities

Next year we will

- Increase our support to the veterans' community in Scotland by improving how we communicate with other service providers
- Increase our funding to individuals
- Increase the number of individuals we help
- Increase our funding to organisations
- Increase the number of organisations we assist

BENEVOLENCE

We set out to

- Provide assistance to veterans and their dependants who were experiencing financial difficulties

In the last year we

- Awarded 189 annual grants and 1,094 one-off grants to individuals

We spent

- £568,763 helping these 1,283 individuals

Next year we will

- Reach more veterans and dependants who are in need, with the aim of disbursing up to £600,000 to members of the veterans' community who require our assistance

CASE STUDIES

Mr and Mrs Allan

Poppyscotland recently awarded a grant to Mr and Mrs Allan from Perthshire to convert their newly-purchased car to automatic.

The Allans, in their 60s and 70s respectively, suffered from ill health and, as they lived in a fairly remote village, a car is essential to their daily life. However their disabilities meant that they could no longer manage with their existing car and needed to purchase one suitable for their needs.

Mr and Mrs Allan were not receiving any disability allowances and did not qualify for assistance from the Motability scheme. They were managing on their pensions but a large bill such as the £3,000 required to buy a specially-adapted automatic car was beyond their means and would have meant that they would have no savings left to allow for the unforeseen.

Mr Allan, who completed National Service with the Royal Army Ordnance Corps (RAOC), said: *"We are deeply grateful for the assistance you gave us towards the purchase of our automatic car. We are so enjoying it."*

Rory Simpson, age 15, Helensburgh

In March 2005, Rory Simpson was riding his bike on his daily newspaper round when he lost control and hit the side of a van. He received severe head injuries and lay in a coma for five months. When he awoke he had little movement, no speech and had to be fed through a tube.

Remarkably, since then, Rory has undergone specialist treatment and has come a long way - recently making his first tentative steps. Rory's family had to convert their family home to a suitable and safe place for him, waiting months for planning permission to build a purpose-built wet room. The costs were steep - too high for his parents, Christine and Stewart, as Christine stopped work to look after Rory when he first came home.

Stewart, a former staff sergeant who served in Bosnia with the Royal Electrical and Mechanical Engineers (REME), approached SSAFA Forces Help. The caseworker visited the family to assess their needs and told the family that because Stewart had served in the Forces, any of his dependants, including Rory, were eligible for financial help from Poppyscotland. She got in touch with us and we made a grant towards the building of the new wet room.

Since then we have helped Rory further by providing an electric wheelchair to use at the mainstream school he now attends and have also issued an additional grant for the purchase of a specially-adapted trike. This will allow Rory to accompany his family when they go for walks in the nearby woods with their dog, giving him more independence.

Stewart explained what Poppyscotland's support has meant to the family: *"I served in the British Army in order to make a difference. When my service was finished, I thought that would be the cutting of ties with the military. After Rory's accident SSAFA and Poppyscotland stepped into the breach and made significant contributions to improving Rory's life and well-being. They did this in a selfless and generous manner as you would expect from organisations steeped in the finest traditions of the Forces."*

"This has helped Rory to regain a significant amount of mobility, enabling him to go out with his twin brother and meet people. This help has bolstered our will to keep on striving to get Rory back to normality by just knowing that there are people out there who care."



RIGHT: Rory Simpson, with twin brother Colin (left), mum Christine and big brother Duncan

PHOTO: Clyde & Forth Press Ltd

Bruce, age 51

Poppyscotland gave Bruce, a former Gordon Highlander, a grant to help pay for the renovation of his bathroom and to provide a new walk-in shower.

After leaving the Army Bruce worked for the Forestry Commission and the MoD until being made redundant in the mid-90s. Unfortunately, Bruce was later diagnosed with artery disease, which caused a walking disability and limited his employment possibilities.

Recently Bruce began to have problems with showering and bathing in his old bath and then a flood in his bathroom meant that he had to travel to his daughter's house 15 miles away to have a shower.

As Bruce owns his home he was not eligible for any help from his local authority to help with fitting a new shower suitable for his disabilities. He visited his local Citizens Advice Bureau and they suggested he contact SSAFA Forces Help. Their representative visited Bruce in his home and compiled information about his situation, which was passed on to Poppyscotland.

Bruce said: *"I would like to thank Poppyscotland for their assistance and providing funding for the new shower which certainly made life easier for me."*

"I would certainly recommend any ex-servicemen or women who are having any difficulties to contact SSAFA and Poppyscotland as they do a tremendous job on behalf of all ex-military personnel who are experiencing difficulties."



LEFT: George Reid, former Presiding Officer, signs Poppyscotland's book of remembrance. Poppyscotland is the only charity officially recognised by the Scottish Parliament

PHOTO: SPCB

ADVICE

We set out to

- Fund the pensions advice, claims and appeals service run by the Royal British Legion Scotland
- Assess the advice needs of veterans in Scotland

In the last year we

- Funded the Pensions Department of the Royal British Legion Scotland (RBL), enabling it to assist 122 veterans to claim for a war disability pension from the Ministry of Defence. Of this figure 43 people received gratuities totalling £182,978 and 32 received pensions with an annual value of £48,937. The department also represented 153 appellants at pensions appeal tribunals
- Identified there was no focal point to meet the wide-ranging advice needs of veterans. We have been in discussions with Citizens Advice Scotland to find a way of filling this void

We spent

- £104,883 on funding the work of the RBL Pensions Department

Next year we will

- Continue to fund the RBL pensions advice and appeals service and explore ways of working more efficiently with their existing welfare structure
- Raise awareness of the advice that can be offered to veterans and offer a signposting advice service to the veterans' community
- Work in partnership with the Glasgow Consortium of Citizens Advice Bureaux on a pilot venture so that we can gain a better understanding of the advice needs of veterans in the Glasgow area
- Measure veterans' current usage of the Citizens Advice Bureaux service in Glasgow and deliver a six-month pilot project to meet the advice needs of veterans in the city
- Evaluate our work so that we can decide how to roll out our findings to other parts of Scotland



ABOVE: Poppyscotland President, Lt Gen Sir Alistair Irwin

SUPPORT (TO ORGANISATIONS)

We set out to

- Provide grants and research for organisations that deliver specialist support to veterans in Scotland

In the last year we

- Supported the following organisations:
 - Erskine - £227,385
 - Combat Stress (Ex-Services Mental Welfare Society) - £175,935
 - Officers' Association Scotland - £23,691
 - Royal British Legion Scotland - £113,020
 - Scottish Society for the Employment of Ex-Regular Sailors, Soldiers and Airmen - £1,500
 - Scottish Veterans' Garden City Association - £37,700
 - Scottish Veterans' Residences - £270,000
 - The Lady Haig Poppy Factory - £25,000
 - The 'Not Forgotten' Association - £10,000
 - Veterans Scotland - £13,603
- Led the support pillar of Veterans Scotland, the co-ordinating body of ex-Service organisations in Scotland
- Worked with the Glasgow Homelessness Partnership to conduct a study of homeless people in the city, thus gaining a better understanding of the extent of the issue amongst veterans in Glasgow

We spent

- £897,888 on grants to organisations working with veterans in Scotland

Next year we will

- Communicate with more organisations that support the veterans' community, so that they can continue and enhance their work
- Make available grants of up to £950,000 for those organisations that support veterans in Scotland
- Continue to lead the support pillar of Veterans Scotland so that we can achieve better co-ordination in:
 - Providing grants to individuals in need of financial assistance
 - Giving grants to organisations that deliver support to the veterans' community
 - Supporting employment for vulnerable veterans and those with disabilities
 - Fundraising
- Continue to monitor the needs of veterans living in Scotland so that we can learn more about their needs. This will enable ex-Service organisations that support veterans to tailor their services accordingly



LEFT: John, resident at Erskine, with some of the staff
RIGHT: Vera Sanderson with Whitefoord House resident Jake Dunn, 64, former Queen's Own Cameron Highlander

CASE STUDY

Elvira (Vera) Sanderson, Care Co-ordinator, Scottish Veterans' Residences (SVR)

Vera has been working at SVR's Whitefoord House in Edinburgh's Canongate for five years. Whitefoord House provides accommodation for veterans and currently has 82 residents.

Vera is responsible for the residents on SVR's care plan, which ensures that the personal needs of the residents are being met. There are 17 people on the care plan, aged between 20 and 90 years old.

The care team consists of care co-ordinator Vera and two prime carers. Vera and her team are responsible for ensuring that the residents' rooms are clean, that the residents have had showers or baths and that they are comfortable. If residents, for any reason, can't make it to the dining room, Vera and her team will make sure meals are delivered to their rooms.

Social interaction is a key part of the care co-ordinator's role, involving anything from chatting to the residents, accompanying them on walks, visits to the pub, to ensuring they keep essential medical appointments.

Vera said: "A lot of the guys have been here for a while. Whitefoord House promotes independent living but some of the men need help."

Vera knows about Service life as she lived for a while on an army base in Cyprus and spent time talking to wives and mothers of veterans. *"When the guys leave the Forces you see another side to them. They are really special - they tell you stories you could write a book about. I love working at Whitefoord House - this is what I feel I was meant to do. I am delighted about the grant from Poppyscotland too. Whatever help we give these men and what Poppyscotland gives us is a real benefit."*



(SUPPORTED) EMPLOYMENT

We set out to

- Gain a better understanding of the needs of veterans with disabilities
- Consider how the support available to veterans with disabilities could be used to help veterans that are considered to be vulnerable

In the last year we

- Engaged with providers of supported employment for the veterans' community in Scotland, so that we can better meet the needs of veterans with disabilities
- Initiated dialogue within Veterans Scotland to take forward this topic jointly with interested parties
- Investigated widening our services to include access to small business loans for those veterans wishing to enter self-employment



Next year we will

- Undertake a Scotland-wide mapping exercise of the employment support available to people with disabilities generally and, in particular, veterans
- Gain a better understanding of the geographic location of veterans who require additional support into employment
- Identify ways of providing additional opportunities for employment for vulnerable and disabled veterans
- Implement a small business loans scheme for veterans

TOP: A visitor meets one of the Factory team members

RIGHT: Henry Bow, wreath maker, with Jane Allen, who stopped off at the Factory during her fundraising cycle from John O'Groats to Lands' End

PHOTO: LA (Phot) JJ Massey, Royal Navy



LADY HAIG'S POPPY FACTORY

Lady Haig's Poppy Factory, owned by Poppyscotland*, was founded in 1926 by Lady Haig, wife of the Field Marshal, when demand for poppies had grown so great that the original factory in England was unable to produce enough.

Eighty years later, the Factory is still going strong, employing 29 veterans with disabilities, aged between 30 and 72. Between them, they have seen active service in every campaign from Korea to the first Gulf War. Manager Charlie Pelling said: *"The fact that all employed are ex-Servicemen forms a fundamental part of the ethos of the place. Indeed, it may be truly defined as the 'golden thread' that binds the staff together."*

As well as producing poppies and wreaths the Factory has highly successful printing and framing departments, both open to the public. The framing department was recently elected for membership of the Fine Arts Trade Guild.

There is a regular stream of visitors to the Factory and this year there have been over 20 formal visits, including the Duke of York and a delegation from the Chinese Veterans Agency, together with many more informal tours. Schools visits are very popular and the Factory is keen to expand in this area, already providing work experience for the Duke of Edinburgh Award Scheme candidates.

To learn more about the Factory or to arrange a tour please visit www.ladyhaigpoppyfactory.org.uk or call 0131 550 1573.

* Summarised financial statements on pages 20 to 23 combine Poppyscotland (The Earl Haig Fund Scotland) and Lady Haig's Poppy Factory figures in consolidated form

CASE STUDY

Name: Gerry Lindsay

Age: 55

Role: Gerry produces around 12,000 green-stemmed poppies every week, all made by hand

Service: 22 years in the Gordon Highlanders, serving all over the world, including Northern Ireland, Cyprus, Singapore, Belize, Europe and North America

Gerry said: *"Working in the Factory is good fun. Because all the guys are ex-Service we all have the same sense of humour, which is really important here. I have been here for six years and I really enjoy it. The working conditions are great and the pay is fair."*



ABOVE: John, Chris and Harry, part of the 29-strong team

Communications and Awareness

We set out to

- Improve public recognition of our new brand Poppyscotland
- Raise awareness of how money donated to the Scottish Poppy Appeal has been spent and how we would distribute this year's collection
- Bring the work of the charity specifically to the attention of a younger audience
- Widen the geographical spread of our advertising and media
- Support awareness and communications for Veterans Scotland

In the last year we

- Achieved press coverage for the Appeal in over 70 newspapers
- Recorded eight radio pieces related to the Appeal and two that generally raised awareness of our charitable services
- Undertook a four-week campaign of advertising on buses and trains
- Gained the support of Miss Scotland and Edinburgh Rugby to launch the Appeal
- Advertised the Appeal and the work of the charity in eight Service publications
- Gained television, radio and press coverage for the re-brand to Poppyscotland and for the President's Awards to long serving conveners
- Produced a CD-Rom, which was used to convey through modern media the work of the charity at the 11 Appeal launches held between mid-October and Remembrance Day.
- Edited the CD-Rom for use in 13 libraries for two weeks, promoting our work in areas of the country where value of donations had been low in previous years
- Ensured all Scottish newspapers carried our logo on their mastheads during Remembrancetide
- Worked with The Royal British Legion to promote the Appeal with five national companies
- Persuaded three sports teams to support the Appeal through wearing poppies and including the Appeal in match brochures
- Undertook a programme of six public speaking engagements to church and women's groups to raise awareness
- Planned the support to Veterans Scotland in promoting their online housing application system created on their website
- Communicated to 51,000 veterans in Scotland through our dedicated page in the Royal British Legion Scotland's bi-monthly house journal

14



LEFT: Gabby and Kenny Logan with their twins, Lois and Reuben, front Poppyscotland's family fun event – Run the Road

We spent

- £74,740 on communications and awareness activities in support of the Poppy Appeal and other fundraising

Next year we will

- Build awareness of how we can assist veterans and their dependants in need
 - Highlight the linkage between donations given and the services we provide, with the aim of encouraging generosity
 - Aim for fewer Poppy Appeal launches to adjust and improve the events
 - Work with the Royal British Legion Scotland to promote Gardens of Remembrance in Glasgow and Edinburgh, but focus our efforts mainly on the fundraising opportunities afforded by these installations
- Develop the marketing and communications functions in Poppyscotland to maximise our opportunities to communicate with all our audiences, young and old, across the country
 - Create a programme of awareness of Poppyscotland in schools and universities across Scotland
 - Recruit and work with a number of young ambassadors to promote the charity's work to a younger audience
 - Introduce a programme of recruiting and retaining volunteers, who are educated in the work and ethos of Poppyscotland



BELOW: School pupils visit Poppy Factory during Remembrance Week

PHOTO: Scotsman Publications Ltd

Funding our Services

We set out to

- Increase income to the Poppy Appeal by 5% more than the previous year
- Review our supporter base and, following a successful pilot, transfer records to a new relationship database
- Retain our team of 10,000 volunteer conveners and distributors
- Identify those areas of the country not making a full contribution to the Appeal and plan to increase outlets and recruit volunteer collectors
- Plan to move into new sources of fundraising

In the last year we

- Distributed five million poppies during Remembrancetide
- Ran a successful pilot of the new database and ensured that the systems were robust
- Expanded our distribution outlets, particularly in Edinburgh and Glasgow
- Improved our feedback to conveners and distributors, through regular newsletters and meetings, telling them how much they helped raise and how it was spent in assisting veterans
- Mapped the national distribution of conveners, identifying as a result that, although all 32 local authority areas have conveners, the ideal strength was down 10%
- Made the decision to expand into schools, universities, volunteering, corporate and legacy work, and recruited five new staff to expand the fundraising team



ABOVE: Miss Scotland and Edinburgh Rugby launch the 2006 Scottish Poppy Appeal

We spent

- £483,508 on fundraising activities

We generated

- £1,570,879 through the Scottish Poppy Appeal, representing an increase of 5.02% on the previous year
- £217,337 through other sources of voluntary income (excluding legacies)
- making a total of £1,788,216

Next year we will

- Increase the availability of poppies across Scotland, encourage generosity, and recruit more poppy outlets, conveners and distributors, thereby increasing income to a target of £1.75 million
- Aim to recruit more conveners in the areas where numbers are low
- Expand our other sources of income to include more events, a legacy campaign, income from schools and universities, corporate donations and trust grants, with the aim of raising up to £300,000 from these sources
- Continue to improve our supporter records and start to work more closely with our existing donors
- Recruit new supporters and invite them to make donations, commit to regular giving, sign up to the Gift Aid scheme or leave a gift in their will



TOP: Running the Road for Poppyscotland
RIGHT: Francesco Cilluffo - conductor at the spectacular fundraising Verdi Opera Gala

Financial Review

Group Financial Review

- Incoming resources amounted to £2,667,328 (2006: £2,974,743)

The company's income stream continues to be dominated by the Scottish Poppy Appeal held annually in November on behalf of the Scottish ex-Service community and which raised £1.571m (2006: £1.495m), equivalent to 59% of total incoming resources.

Donations amounting to £173,737 (2006: £199,356) continue to provide a welcome additional source of income to support the work of the Fund.

Legacies are another important source of income and amounted to £42,218 (2006: £293,661) during the year.

Investment income amounted to £485,203 (2006: £426,721), 14% up on 2006 due to a 26% increase in dividend income and prudent cash management against a background of rising interest rates. As mentioned in previous reports, achieving a satisfactory level of investment income is a vital supplement to the voluntary income and will remain a challenge going forward.

- Resources expended amounted to £3,133,085 (2006: £4,533,136)

The classification of expenditure reflects the adoption of the Statement of Recommended Practice 2005 in the preparation of the financial statements and the required allocation of general overhead and support costs to areas of core activity.

The cost to the group of generating funds amounted to £611,461 (2006: £531,109) and was a consequence of the setting in place of increased staff resources in anticipation of actual and planned additional fundraising initiatives.

Cazenove Capital Management Limited has continued to act as investment manager for the company during the financial year under review and over the period a management fee of £53,213 (2006: £49,730) was incurred. The level of investment management costs is a function of the value of funds under management and is reflected in a corresponding increase in the value of the investment portfolio, which had advanced to £11,165m at 31 March 2007.

- Cost of activities in furtherance of the company's objectives amounted to £2,422,812 (2006: £3,910,78)

Investment policy and returns

The company re-appointed Cazenove Capital Management as investment manager in October 2003. The directors have given the investment manager discretion to manage the portfolio within an agreed risk profile to be measured against a composite benchmark based on the asset classes to which investment funds are allocated and against the WM Charity Unconstrained Universe as an indicative performance indicator; the investment objective, for the period under review, 'to maximise total return with due respect to medium risk' and generate investment income of at least £325,000. The investment manager provides a written report on a quarterly basis and meets with the Finance and Investment Committee bi-annually to review the portfolio's performance.

Over the 12-month period under review, the global economy has benefited from a period of continuing expansion due to relatively low interest rates and fuelled by the demands of industrial expansion within the Asian block and China in particular. This growth has been achieved against a background of increased oil and commodity prices, higher interest rate forecasts and a continuing anti-establishment outlook amongst radical elements throughout the Middle East in particular.

Against this background, the Finance and Investment Committee is satisfied with the investment returns achieved by the investment manager both in terms of income and capital growth and is pleased to report that the investment portfolio has increased in value by 5.4% to £11,165 million as at 31st March 2007 and generated investment income of £399,987 during the period. On a total return basis the portfolio achieved a return of 10.5% against the composite benchmark return of 8.7% over the period.

Reserves policy

The directors have reviewed the level and function of reserves within the organisation. The review examined the nature of income and expenditure streams and the need to ensure the availability of sufficient reserves to meet future demands for charitable services as required by the company's Memorandum of Association.

The directors are satisfied that the asset base of the organisation incorporating the investment portfolio should be regarded as a form of expendable endowment fund providing a level of reserves with the primary function of generating sufficient income to cover the overhead functions within the organisation by maintaining a judicious investment policy.

Auditors' Report

INDEPENDENT AUDITORS' STATEMENT TO THE MEMBERS OF THE EARL HAIG FUND SCOTLAND

We have examined the summarised financial statements of the The Earl Haig Fund Scotland for the year ended 31 March 2007.

This report is made solely to the company's members, as a body and to the charity's directors, as a body. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in this 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 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 directors and auditors

The directors are responsible for preparing the summarised financial statements in accordance with the recommendations of the Statement of Recommended Practice Accounting and Reporting for Charities 2005.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full annual financial statements and the Directors' Report.

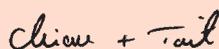
We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the Directors' Report of The Earl Haig Fund Scotland for the year ended 31 March 2007. We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements and the date of this statement.



CHIENE + TAIT

Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL
7 June 2007

Financial Statements

THE EARL HAIG FUND SCOTLAND

A Company Limited by Guarantee

Consolidated Statements of Financial Activities
(incorporating an Income and Expenditure Account)
For the year ended 31 March 2007

	2007 Unrestricted Funds £	2007 Restricted Funds £	2007 Welfare Funds £	2007 Total Funds £	2006 Total Funds £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	1,760,452	16,203	14,179	1,790,834	1,989,165
Activities for generating funds	57,779	-	-	57,779	-
Investment income	484,686	517	-	485,203	426,721
Incoming resources from charitable activities					
Continuing activities					
Merchandising income	157,879	-	-	157,879	159,695
Employment services grant	-	106,930	-	106,930	108,700
Other grants	-	3,213	-	3,213	20,000
Rental and service income	63,513	-	-	63,513	76,584
Welfare	-	-	-	-	4,297
Discontinued activities					
Fees for residential care	700	-	-	700	189,581
Other incoming resources					
Net gain on disposal of fixed assets	1,277	-	-	1,277	-
Total incoming resources	2,526,286	126,863	14,179	2,667,328	2,974,743

	2007 Unrestricted Funds £	2007 Restricted Funds £	2007 Welfare Funds £	2007 Total Funds £	2006 Total Funds £
Resources expended					
Cost of generating funds					
Costs of generating voluntary income	558,248	-	-	558,248	481,379
Investment management costs	53,213	-	-	53,213	49,730
	611,461	-	-	611,461	531,109
Charitable activities					
Costs of activities in furtherance of the charity's objectives					
Continuing activities					
Manufacturing costs	528,981	106,930	-	635,911	584,258
Grants paid	1,486,791	12,203	10,947	1,509,941	980,377
Benevolence support costs	255,882	4,000	-	259,882	267,358
Home Front Recall	-	3,213	-	3,213	22,752
Discontinued activities					
Residential care costs	2,115	-	-	2,115	223,323
Grants paid	-	11,750	-	11,750	1,832,713
	2,273,769	138,096	10,947	2,422,812	3,910,781
Governance costs	98,812	-	-	98,812	89,964
Other resources expended					
Net loss on disposal of fixed assets	-	-	-	-	1,282
Total resources expended	2,984,042	138,096	10,947	3,133,085	4,533,136
Net (outgoing)/incoming resources	(457,756)	(11,233)	3,232	(465,757)	(1,558,393)
Gain on investments					
Realised	26,132	-	-	26,132	207,567
Unrealised	649,839	-	-	649,839	1,437,053
Net movement in funds	218,215	(11,233)	3,232	210,214	86,227
Total funds at 1 April 2006	11,952,277	11,233	36,887	12,000,397	11,914,170
Total funds at 31 March 2007	12,170,492	-	40,119	12,210,611	12,000,397

The above results include both continuing and discontinued operations. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net (outgoing)/incoming resources for the year plus realised gains on investments and amounted to £439,625 (2006: £1,350,826).

THE EARL HAIG FUND SCOTLAND

A Company Limited by Guarantee

Consolidated and Company Balance Sheets
As at 31 March 2007

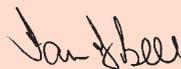
	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Fixed Assets				
Tangible assets	307,588	316,325	298,253	301,979
Investment in subsidiary Investments	- 11,165,434	- 10,696,603	1,000 11,165,434	1,000 10,596,603
	<hr/> 11,473,022	<hr/> 10,912,928	<hr/> 11,464,687	<hr/> 10,899,582
Current Assets				
Stock	111,996	176,071	-	-
Debtors	159,664	197,448	130,291	177,448
Cash at bank	1,578,973	2,217,132	1,465,362	2,112,726
	<hr/> 1,850,633	<hr/> 2,590,651	<hr/> 1,595,653	<hr/> 2,290,174
Creditors				
amounts falling due within one year	1,113,044	1,503,182	1,105,515	1,496,945
	<hr/> 737,589	<hr/> 1,087,469	<hr/> 490,138	<hr/> 793,229
Net current assets				
	<hr/> 12,210,611	<hr/> 12,000,397	<hr/> 11,954,825	<hr/> 11,692,811
Net assets				

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Funds				
Restricted funds	-	11,233	-	11,233
Unrestricted funds				
Designated funds	48,704	46,887	8,585	10,000
Capital fund	7,343	10,866	-	-
General funds	12,154,564	11,931,411	11,946,240	11,671,578
Total funds	12,210,611	12,000,397	11,954,825	11,692,811

The financial statements on pages 20 to 23 were approved by the Directors and signed on their behalf by:



D A Scott, Chairman



I Bell, Honorary Treasurer

7 June 2007

The financial information given here is a summary extracted from the charity's audited financial statements for the year ended 31 March 2007. The auditors' report was qualified in respect of the directors' decision not to comply with the requirements of FRS 17 'Retirement Benefits'. The auditors' report was unqualified in all other respects. A copy of the financial statements are available from Poppyscotland, New Haig House, Logie Green Road, Edinburgh EH7 4HR.

Directors, Advisers and Administration

The Earl Haig Fund Scotland is a charitable company with one subsidiary, the Lady Haig Poppy Factory Limited, producing group financial statements. The company is involved in a range of activities for the benefit of the ex-Service community in Scotland including fundraising and the provision of various forms of benevolence.

Reference and Administrative Information

President

Lieutenant General Sir Alistair Irwin KCB CBE MA

Directors

Colonel D A Scott OBE TD (Chairman)  

Mr I Bell FCIBS  

Lt Colonel D L Connon MBE

Lt Commander I C Douglas RD BArch (Hons) FRIAS RIBA

Major H Evans  

Major A I O Forbes

Lt Colonel C G O Hogg OBE DL

Mr G MacDonald MBE (appointed 22 March 2007)

Captain E Munro (resigned 22 March 2007)

Major D A J Noble 

Lt Commander T E Shields RD CA  

Captain R A Smith RN 

Mr A S Watson 

Miss K Winning

 Member of the Finance and Investment Committee

 Member of the Audit Committee

Chief Executive

Mr J W Panton

Company Secretary

Mrs D M Barclay BA Cert Mgt

Head of Charitable Services

Mr G Gray

HR and Training Manager

Mrs D M Barclay BA Cert Mgt

Chief Accountant

Mr A J Christie MA (Hons) CA

Development Department

Major H L McConkey (resigned 30 June 2006)

Mrs J Miskelly (appointed 18 July 2006)

The Lady Haig Poppy Factory

Major J Larsen (retired 15 January 2007)

Major C Pelling (appointed 8 January 2007)

THE EARL HAIG FUND SCOTLAND

(A Company Limited by Guarantee)

Registered Office

New Haig House
Logie Green Road
Edinburgh EH7 4HR
Tel: 0131 557 2782
Fax: 0131 557 5819

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh EH2 2YB

Investment Managers

Cazenove Fund Management Limited
12 Moorgate
London EC2R 6DA

Branch Office

The Pentagon Centre
36 Washington Street
Glasgow G3 8AZ
Tel: 0141 221 8141
Fax: 0141 204 0939

Legal Adviser

Gillespie MacAndrew LLP
5 Atholl Crescent
Edinburgh EH3 8EJ

Auditors

Chiene + Tait
Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL





Poppyscotland
New Haig House
Logie Green Road
Edinburgh
EH7 4HR

tel: 0131 557 2782
email: enquiries@poppyscotland.org.uk

Scottish Charity No SC014096
Scottish Company No 194893 -
Company Limited by Guarantee
Registered in Scotland at the above address

Printed on 50% recycled paper