



Hansel Foundation

Group Annual Report & Accounts

**For The Year Ended
31 March 2021**

Scottish Charity No: SC001514

Company Limited by Guarantee No: SC038440

Hansel Foundation

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Our Purpose

The Hansel group of charities carries out functions relevant to the provision of a wide and diverse range of community, residential and vocational services for people with additional support needs.

Our Mission

To assist people requiring support to realise their potential in all spheres of their lives.

Hansel Foundation

Directors' Report for the year ended 31 March 2021

The Directors have pleasure in presenting the annual report together with the audited group accounts for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102).

Our Purposes and Significant Activities

The principal object and activity of the group of Hansel charities is to assist with the development and promotion of opportunities, resources and services in support of people with additional support needs.

In pursuance of the above Hansel Foundation continued its comprehensive fundraising programme and engagement with local communities to support the work of Hansel Alliance in particular and, generally, to support the enhancement of the prospects of opportunities for people requiring support.

Hansel Alliance assists people with additional support needs to realise their potential in all spheres of their lives through the practical provision of a wide and diverse range of community, residential and vocational resources and services.

Group Strategic Report

Achievements and performance

The commencement of the year under review coincided with the World Health Organisation declaring the Covid-19 virus a global pandemic. As was the case across the wider care sector generally, this introduced unprecedented health risks and financial challenges for the Hansel Group's operations and activities. It is against this uniquely demanding backdrop that the organisation charted its course through previously unimaginable operational circumstances, and so at the outset of this report the unwavering commitment and dedication of Hansel team members in maintaining vital support for vulnerable individuals through this most difficult year must be acknowledged.

Most sadly, two elderly residents within subsidiary entity Hansel Alliance's Shawburn accommodation succumbed to underlying health conditions following an outbreak of Covid-19 within that residence. The Board extends its deepest sympathies to the families and friends of two much loved people who will be greatly missed by their fellow residents and support team.

Hansel Foundation

Directors' Report for the year ended 31 March 2021 (cont'd)

The sole focus for Hansel Foundation's management and corporate services team during the reporting year was to support the wider organisation through the challenges presented by the Covid-19 pandemic. This included support to implement revised working arrangements including; deployment of PPE protocols and safe social distancing measures; oversight of staff resourcing including shielding, self-isolation and furlough responses; and decisions on the extent to which operations and activities were maintained through periods of lockdown. Vital to this support was clear and effective communication within the organisation, from Board level through to frontline team members who were dealing with the most difficult, unfamiliar and tiring of circumstances.

The satisfactory financial out-turn reported for the year reflects the essential support mechanisms put in place by UK and Scottish Governments. The Coronavirus Job Retention Scheme (CJRS) operated through HMRC provided job security for team members unable to work, either for health reasons or due to temporary reduction of workload. Scottish Government introduced, through local mobilisation plans, funding processes to address significant cost implications of managing operations through the pandemic, and also loss of income where it was not possible to maintain support due to essential Covid-19 restrictions. As reported within the Income and Expenditure Account, this combined government funding support for the Hansel Group is £1,075k for the year, demonstrating the critical nature of this fiscal intervention for our sector.

The Board of Directors also acknowledge support received from the two health and social care partnership organisations we work with in South and North Ayrshire, not only in terms of administration of Scottish Government Covid-19 funding mechanisms, but also, for the regular and extensive updates on health-related matters including assistance with testing and the vaccination programme rollout.

Towards the latter part of the year the Board of Directors looked to refresh content of Hansel Foundation's strategic planning. This exercise now recognises impact from the Covid-19 pandemic which could be more enduring in some areas of operation and activity, however good progress continues within the following key areas of development.

- In furtherance of key governance objectives agreed by the Board a refreshed Committee structure was successfully implemented over the course of the year. In addition to the provision of invaluable support to the Senior Leadership Team through an unprecedented challenging period, Committees played a significant role in planning ahead for the post-pandemic recovery that will be necessary to rebuild services and respond to emerging opportunities.
- Financial austerity challenges facing the organisation and the sector had continued to escalate over years leading up to the Covid-19 pandemic. It is anticipated that pressure on public sector spending will only be exacerbated by the pandemic's impact on national and local economies. Negotiation of sustainable funding arrangements will be critical going forward, as surplus generation and positive cash-flow over the next 3 year period will remain necessary to contribute towards pension debt repayments linking to Hansel's withdrawal from the Strathclyde Pension Fund in March 2017.

Hansel Foundation

Directors' Report for the year ended 31 March 2021 (cont'd)

- The present updating of the Strategic Plan for the Hansel Group underlines the importance of maintaining residential and respite accommodation to a high standard to meet the expectations of our customer group. Before the onset of the pandemic three properties were identified as not providing long-term service in their current form, and options to address the future for two of the properties will resume as a matter of some urgency.
- As reported in the last annual review, Hansel's brand identity will be renewed and website updated given the importance of communication with our key stakeholder groups, now even more critical as we look to identify new opportunities and partners/supporters who would share our ambition for people we support. Planning for the launch of Hansel's new website and brand was well underway at the end of the reporting year.
- Although placed on hold for much of the year, the search for suitable property to create 'Hansel Hubs' to better resource local service provision and promote community engagement within our primary operating areas of North Ayrshire and South Ayrshire recommenced prior to the end of the reporting period.

Turning to the subsidiary charity Hansel Alliance, over the course of the year services maintained levels of support for most individuals through the pandemic journey, albeit not following usual or normal support arrangements. The scaling back and/or temporary cessation of some services was necessary due to the requirement for social distancing measures to control virus spread not being practicable, or having limited scope.

Even though the extent to which disruption to support and daily life varied quite considerably across operations, it was evident that impact of the pandemic reached and had a detrimental effect on all services and individuals whether receiving support or in our employment. All lives were therefore affected, with disruption of routines having an effect on general wellbeing as well as the inevitable physical exhaustion experienced by team members working over extended periods with limited reprieve.

Although HMRC's CJRS funding helped maintain employment for a significant number of team members, pre-pandemic plans to review certain service resources were progressed midway through the year, and 11 individuals elected for voluntary redundancy. This necessary step to streamline resources should help deliver post-pandemic recovery in a number of areas.

Towards the latter part of the year the Hansel Alliance Board of Directors looked to refresh content of the Alliance Management Plan. This exercise now recognises impact from the Covid-19 pandemic which will be more enduring in some areas of operation, in particular for Connect lifestyle supports, and across the range of 3e (employment, enterprise and education) activities. It is also acknowledged that new opportunities will arise as a direct consequence of pandemic impact and learning, and so efforts will be redoubled to secure the longevity of the range of services offered by Hansel Alliance, including continuation of the service types described within the following paragraphs.

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Directors' Report for the year ended 31 March 2021 (cont'd)

Residential services - occupancy levels were high across most registered residential service accommodation through 2020/21. One exception to this was within our Shawburn service in Prestwick where future longevity of the accommodation was under review at the commencement of the year, and then vacancies arose due to the sad passing of two residents while another moved into alternative living accommodation more suited to their needs. Mobilisation plan funding accessed through South Ayrshire Health and Social Care Partnership has been particularly critical to sustain Shawburn financially, and this situation will continue into the next reporting period. In total 38 residential places are offered within Hansel's Broadmeadows estate, with a further 9 resident places available within Shawburn. Specialist accommodation is available for residents with complex health needs, or living with dementia, whilst other small group accommodation is better suited for residents living more independently.

Respite and short break supports provide positive respite experiences built around customer choice. Accommodation-based respite breaks at Broadmeadows (The Cabin) were limited during the year due to social distancing measures restricting the number of weekly visitors. This reduction in capacity attracted mobilisation plan funding to cover full service costs, and two caravans previously located at Craig Tara Holiday Park in Ayr were moved to the Broadmeadows location, along with two caravans purchased, to provide additional respite places following on from the end of the reporting period. Capacity during the year was limited to 4 visitors, but this will immediately rise to 8 with the introduction of caravan accommodation, rising further to 15 weekly visitors in total once Covid restrictions are relaxed. The council-owned Taigh Mor accommodation in Beith also fell below full capacity of 8 weekly visitors during the year due to social distancing restrictions being necessary, however North Ayrshire Health and Social Care Partnership maintained full contractual funding payments to ensure all service costs could be met.

Supported living and care at home services - reflecting commitment to the provision of community-based support services, Hansel Alliance supports, in North Ayrshire and in South Ayrshire including within Broadmeadows estate, approximately 84 people in their own tenancies with levels of support that meet individual needs.

The Connect lifestyle service delivers support in a wide variety of locations, normally providing day opportunities to around 120 people either in community settings, in their own homes, or within Broadmeadows estate. All support options have a community focus, with individual activities increasingly being a clear goal for people choosing this support option. Following brief closure of the service at the beginning of the pandemic, and due to Covid-19 restrictions on household mixing, group activities were moved to a virtual video platform using technology, and face to face support was very much on a reduced capacity basis at the start of the year. When service activity did recommence in May 2020, only 7 people received regular support on a weekly basis, this number rising to 36 by the end of the year where additional locations and technology introduced greater flexibility.

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Directors' Report for the year ended 31 March 2021 (cont'd)

Employability activities encompassing the delivery of employment and social enterprise opportunities were significantly disrupted during the year by pandemic restrictions and measures taken to protect the workforce, many of whom are supported employees who are disadvantaged in the workplace with underlying health conditions. Both Lindy's tearoom and the Hansel Laundry were operating on a restricted basis or temporarily closed over the course of the year, this having a material impact on sales income. The CJRS funding, and continuation of DWP TEGS funding, were critical in softening the impact of lost revenue. Prior to the end of the reporting period management revisited the 2019 Development Plan for Hansel 3e (employment, enterprise and education) activities, identifying opportunities to rebuild operations which would include planning for the delivery of delayed stage 2 of a National Lottery Community Fund award. This funding is aimed at a group of young disabled people aged between 16-24 years of age who are transitioning from school to college. This stage 2 project will support participants to develop horticulture and grounds maintenance skills that will hopefully lead to progression into positive destinations such as employment or volunteering.

Financial review

In terms of Hansel Foundation's financial performance for the year under review the deficit reported reflects ongoing focus on investment in management reporting systems and corporate services support designed to introduce cost efficiency savings in the longer term.

As in the previous financial year, a significant proportion of income reported represents the charging of senior management and corporate services resourcing support to the subsidiary charity Hansel Alliance. The expenditure attributable to the generation of this income is reported within Direct Costs, as such dedicated resourcing is an essential element of the delivery of all charitable activities.

Reflecting matters noted above, the Statement of Financial Activities on page 23 shows that gross income for the charitable company decreased in the year by 4.8% to £1,410k, whilst total expenditure decreased by 7.9% to £1,412k. Total fund balances decreased over the year by £2,276 (2020 decrease of £53,515).

Prior to the current reporting year the charity's fundraising programme included a range of events, functions and sponsored activities that contributed to generated funds. During the year Directors agreed an updated strategy to more effectively engage with the very many volunteers and supporters (including corporate bodies) who assist our Fundraising Team in either organising or participating in activities. Critical to the success of this strategy will be the development of digital communications linked to an improved social media platform and website, and work was well underway prior to the end of the financial year to recruit into new posts that would contribute to such outcomes.

Directors would again take this opportunity to note our gratitude to our many loyal and committed supporters who make an invaluable contribution to Hansel's continuing success.

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Directors' Report for the year ended 31 March 2021 (cont'd)

The Consolidated Statement of Financial Activities on page 22 shows that gross income reduced by 1.2% to £11.2m, whilst total expenditure decreased by 3.1% to 11.1m.

Included within the overall reported group surplus of £107,597 the subsidiary company Hansel Alliance reported a surplus of £109,873, an out-turn which is considered to be in line with financial sustainability targets.

Expenditure on the Hansel Group's charitable activities, as referred to within the Consolidated Statement of Financial Activities on page 22, is subject to annual budgetary review, and the income streams from donations and other fundraising efforts are allocated across charitable activities in line with the strategic aims and objectives approved by the Board. The nature of these charitable activities is reported within note 10 to the Accounts, on page 33.

Investment Policy and Performance

The present investment policy maximises interest earned on short to medium term deposits offered by the charity's bankers. Given the prevalence of low interest rates the Directors intend to undertake a review of alternative investment strategies that would comply with guidance and good practice set out by OSCR, The Scottish Charity Regulator.

Investment income from bank funds of £2,144 was received in the year (2020: £5,003).

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Directors' Report for the year ended 31 March 2021 (cont'd)

Reserves Policy and Going Concern

A review of the level of reserves considered appropriate and necessary to pursue Hansel's stated aims and objectives is undertaken annually. This review is considered critical in order to align short to medium term commitments with the level of financial resources available. Commitments include monetary obligations arising from existing operational activities as well as anticipated levels of investment for future projects identified through strategic planning mechanisms.

It is anticipated that ongoing fiscal challenges facing health and social care partnership funders will continue to exert financial pressure on social care budgets, and consequently the subsidiary charity Hansel Alliance's service income streams. Scottish Government's pledge in guaranteeing Scottish Living Wage (SLW) as a minimum rate of pay for everyone working in care, whilst a most laudable and welcome policy, continues to exacerbate pressures felt within public sector budgets. Furthermore, disruption to Hansel's wider activities, attributable to Covid-19 pandemic impact, will likely give rise to uncertainties around levels of operational activity and implications for public sector funding resources for some time to come.

As the primary mechanism for addressing many of the potential threats facing the organisation strategic management planning identifies areas of service development for the organisation, together with envisaged contributions from supporting fundraising initiatives.

Capital costs are also identified within the assessment of strategic priorities, and from this information overall funding commitments are estimated. Based on the outcome of this exercise, mindful of continuing risk associated with the Covid-19 pandemic, the Directors have forecast that the level of free reserves (that is those funds not tied up in fixed assets, designated reserves and restricted reserves) the Hansel Group will require would be £2.05m (circa. £1.46m for working capital purposes, and the balance for identified capital projects and various expenditure or funding shortfall provisions arising out of both Hansel Foundation and Hansel Alliance activities). Actual free reserves of the group were £1.50m as at 31 March 2021.

Through a review of reserve levels for Hansel Alliance, also taking account of continuing Covid-19 impact, the Directors have determined that it would be appropriate to maintain unrestricted funds at a level that equates to one month's operational costs, which approximates to £840,000 at 31 March 2021. As at that date Hansel Alliance reported a free reserves figure of £383,739. The Directors have determined that the current level of free reserves held by Hansel Foundation should firstly be applied to fulfilling any potential commitment to cross guarantee arrangements with Hansel Alliance.

In order to make good the shortfall of circa. £550k in the level of group unrestricted free reserves required to meet development aims and objectives, the Directors have approved a cautious approach to the timing of future developmental projects, to ensure the cash demands on the organisation can in part be met through achievement of realistic fundraising targets over the next few years.

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Directors' Report for the year ended 31 March 2021 (cont'd)

Most critically, maintaining satisfactory levels of reserves and liquid cash resources will be achieved by securing sustainable funding levels year on year for future service provision. Such sustainable funding terms are considered to be in place for financial year 2021/22, and therefore, given budget and cash flow projections have been updated satisfactorily to reflect potential Covid-19 impact on services and resources, the Directors are of the view that the Hansel Group is a going concern.

Pensions

The financial statements as presented include full adoption of accounting standard FRS 102. The Hansel group of charities operated two schemes during the year:

1. a defined contribution scheme operated by Scottish Widows available to senior members of staff and former members of the Strathclyde Pension Fund, and,
2. a defined contribution 'auto-enrolment' scheme for all other eligible employees.

The charity remains committed to its pension obligations to employees, and pensions in general, as a key part of its remuneration package.

Plans for future periods and principal risks and uncertainties

As noted above, the Directors initiated further review of strategic priorities for both Hansel Foundation and subsidiary Hansel Alliance towards the end of the reporting period. This was considered prudent and timely given the prospect of longer-term impact of the Covid-19 pandemic, both on service delivery and funding mechanisms. Key priorities identified in the previous strategy document, 'Personalisation: Resourcing Change, Delivering Choice' will likely continue into the new strategic framework, but now reflect a landscape for social care and employability that may need to adapt to a shift in economic and public sector policy; recent Scottish Government publications reviewing adult social care and committing to support for social enterprise and employability initiatives.

The updated strategic priorities for the Hansel Group will be augmented by three separate development plans, for each of Hansel Foundation, and Hansel Alliance's two primary areas of operation; care services and employability. All development plans will detail the various work streams and timescales from which the Boards and Senior Leadership Team will monitor progress through implementation of a strategy Road Map, and identification of Key Risk Indicators to measure specific outcomes and progress.

In relation to group-wide activities going forward, a key area of resourcing review will continue to focus on maintaining a fair wage structure across all job roles and functions. Whilst commitment to the Real Living Wage has brought a most welcome boost to rates of pay for front line care team members, longstanding pressures on funding levels, dating back to 2010, have incrementally called into question the validity of the pay structure applied across all management and corporate support posts within the organisation. Although partially addressed by pay awards processed during financial year 2018/19, this remains a sector wide challenge, for recruitment and retention, that will require further review of funding assumptions by service commissioners in order to secure and maintain equitable pay practices in the longer-term. Following the financial cost associated with governments tackling the Covid-19 crisis, further or at least continuing pressure on public finances is to be anticipated.

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Directors' Report for the year ended 31 March 2021 (cont'd)

Hansel Foundation will continue to develop the role of public relations in respect of wider Group activities. Given the potential for future development of current operations, as well as scope for creative new initiatives, it will be important to utilise communication platforms and strategies to nurture support through partnership and collaborative approaches with local agencies and businesses. This will also be a priority in helping develop and resource opportunities for financial, in-kind or volunteering support for the key development objectives identified by the Board.

Statement of Directors' Responsibilities

The Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for preparing the Directors' Report incorporating the Group Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and the charitable company for that period.

In preparing those financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Directors' Report for the year ended 31 March 2021 (cont'd)

Reference and Administrative Details, Trustees and Advisers

Hansel Foundation is a registered charity (No. SC001514) and a company (No. 38440) limited by membership guarantee.

Registered Office: Murdoch House, Broadmeadows
SYMINGTON, Ayrshire, KA1 5PU
Tel. No. : 01563 830340
Email : info@hansel.org.uk

Principal Professional Advisers

Bankers	-	The Royal Bank of Scotland 30 Sandgate AYR, Ayrshire, KA7 1BY
Auditors	-	Hardie Caldwell LLP Chartered Accountants Citypoint 2, 25 Tyndrum Street GLASGOW, G4 0JY

Board of Directors

The Directors of the company, who are also charity trustees for the purposes of charity law, are:

Alastair H. Dewar	(Chairman)
David G. Chalmers	
Adam Currie	
Ruth Dorman,	
Robert Dow	
Lorna K.M. Gibson	(resigned 30 June 2021)
Gerald D. Lindsay	(Managing Director)
Thomas P. McClements	(resigned 9 December 2020)
James W. McIntyre	
Christopher McMail	
Lisa Neilson	(appointed 30 June 2021)
Blanche Nicolson MBE	(resigned 9 December 2020)
Dr. Robert M. Reekie	
Rev. Alexander C. Wark	(resigned 30 June 2021)

In accordance with the Articles of Association the terms of office for four Directors (Alastair Dewar, Ruth Dorman, Jim McIntyre and Chris McMail) end in December 2020. Each Director is however eligible to serve for a further term.

Key Management Personnel

Senior management of Hansel Foundation:

Gerry Lindsay	(Managing Director)
Roddy Wright	(Operations Director)
Ali Mundell	(Corporate Services Director)

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Directors' Report for the year ended 31 March 2021 (cont'd)

Structure, Governance and Management

Governing document

Hansel Foundation (formerly Hansel Village) was founded in 1963, and on 29 April 1998 the company revised its Memorandum and Articles of Association, by which the company is governed, following the formation of its subsidiary company, Hansel Alliance, which assumed the role of service provider.

Group structure

The Hansel group of charities comprises:

Hansel Foundation and its wholly owned subsidiary Hansel Alliance.

Hansel Foundation is a company limited by guarantee (no. 38440) and a registered Scottish Charity (no. SC001514). Hansel Alliance is a company limited by guarantee (no. 184374) and a registered Scottish Charity (no. SC027681).

Director appointment, induction and training

The Board of Directors is responsible for the overall governance of the Hansel group of charitable companies.

Directors are recruited to the Board where a skills gap has been identified, or where it is considered that Board numbers require to be augmented to broaden or strengthen the portfolio of business and care service-related experience of participating Members. New appointments are sought in a variety of ways involving exploration of the field of potential candidates, including advertising in local press and other media, and recommendation from existing Directors or other supporters of the organisation. In accordance with the Memorandum and Articles of Association, Directors serve terms of three years, and under normal circumstances for no more than three terms.

New Directors are invited to attend a series of short information sessions to familiarise themselves with the charity and the context within which it operates. These sessions are hosted by the Managing Director and other members of the Senior Leadership Team, and cover:

- the obligations of Directors;
- the main documents which set out the operational framework for the charity including the Memorandum and Articles;
- resourcing and current financial position as set out in the latest published accounts; and
- future plans and objectives.

Presentations to Hansel Foundation's Board of Directors by the Senior Leadership Team and other management staff keep Directors abreast of current operational issues within the organisation, as well as informing the Board of governance and other legal issues that are relevant to the ongoing management of the organisation.

Hansel Foundation

Directors' Report for the year ended 31 March 2021 (cont'd)

Organisation

The number of non-executive Directors permitted by the Articles of Association is a minimum of three, but not exceeding fifteen. The Board of Directors meet at least on four occasions during the year to review and agree major areas of policy, and monitor financial performance. The Board delegates to the Managing Director responsibility for day to day management of the charity's affairs and for implementing policies agreed by the Board of Directors. The Managing Director is assisted by a group of executive and senior managers.

Related Parties

The Board of Directors is comprised of non-executive and executive Directors. None of the non-executive Directors receives any remuneration or expenses in cash or in kind for their work as Directors of the organisation.

The sole executive Director is the Managing Director who did not receive remuneration or expenses in cash or in kind in respect of his position as a Board Director. The remuneration received by the Managing Director relates to his management role within the organisation and is as shown at note 15 of the Notes to the Accounts.

As noted above the charity is the parent entity of Hansel Alliance.

Key management remuneration

The Directors consider the Board of Directors, who are the charity Trustees, and the senior management team, as named above, comprise the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis.

Non-executive Directors give their time freely and receive no remuneration.

The remuneration policy applicable for all employees, including key management, aligns the skills, experience and qualification of each position with a salary framework approved by the Board of Directors. Periodically, and for any review to senior management pay, the salary framework is benchmarked with external market remuneration levels in the locality of the employment base.

Employee Engagement

In pursuance of Hansel's strategic commitment to being a provider and employer of choice in social care and employability support, communication and engagement with team members continues to be a key priority for The Board of Directors.

On an informal basis, Directors look forward to re-engaging with people both employed and supported by the organisation through 'meet and greet' sessions. Ordinarily this form of engagement is considered an invaluable opportunity to for open conversation with key stakeholders, and to identify issues of importance that may not otherwise be communicated through more formal reporting mechanisms.

Hansel Foundation

Directors' Report for the year ended 31 March 2021 (cont'd)

During the year the staff consultation group bringing representation from all services and departments, Hansel Team Matters, provided improved focus for engagement, consultation, discussion and feedback on all relevant issues relating to employment with Hansel.

Although the present bridge between this representative group and the Board of Directors is provided by the Senior Leadership Team, the intention going forward is to facilitate direct contact with Director members of Hansel's People, Policy and Remuneration Committee, thereby adopting a more structured approach to the Board's ongoing engagement with team members.

Through investment in new HR and learning & development IT platforms Directors are confident that communication with team members will be greatly enhanced. This, along with improvement in the quality of automated reporting on all matters relating to employment, will better inform decisions being taken that directly impacts on the working experience with Hansel.

People with Disabilities

Hansel Foundation being a "Disability Confident" employer has given its commitment to:

- actively looking to attract and recruit disabled people;
- offering an interview to all applicants with a disability who meet the minimum criteria for a job vacancy and consider them on merit;
- providing a fully inclusive and accessible recruitment process;
- flexibility when assessing people so disabled applicants have the best opportunity to demonstrate they can do the job;
- proactively offering and making reasonable adjustments as required;
- making every effort when an employee become disabled to make sure they stay in meaningful employment; and
- annually reviewing these commitments and what has been achieved and preparing plans for future developments.

Risk management

The Directors have a risk management strategy which comprises:

- regular monitoring of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified through regular monitoring; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

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Directors' Report for the year ended 31 March 2021 (cont'd)

This work had identified that financial sustainability continues to represent the most significant risk for the charitable group given the continuing pressures on public sector management of social care budgets, unknown or uncertain future commissioning approaches or strategies being planned by local health and social care partnerships, and prevailing uncertainties introduced through Covid-19 pandemic disruption to care and support services.

Upward pressure on employment costs due to Scottish Government's commitment to the Real Living Wage as a minimum rate of pay within social care will also present an ongoing challenge for third sector care providers; to maintain fair and equitable pay and conditions for staff where funding rates are predicated on less favourable, flatter pay structures.

A key element in the medium term management of financial risk will continue to be regular review and monitoring of available liquid funds to settle debts as they fall due, this requiring proactive management of trade debtors and creditor balances to ensure sufficient working capital is available. The critical nature of cash-flow monitoring and management for the Hansel Group is exacerbated by the introduction of the defined benefit pension debt repayment arrangement agreed in March 2017, which will entail annual instalments of £250,000 on behalf of the group through to financial year 2022/23.

Attention has also been focused on non-financial risks arising from fire, health and safety of staff, customers and volunteers. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place and regular awareness training for staff.

Statement as to Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

Hardie Caldwell LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

The Directors' Report incorporating the Strategic Report was approved by the Board of Directors in their capacity as company directors and trustees and signed on their behalf by:-

Gerald D. Lindsay
Director and Company Secretary

Dated: 4 August 2021

Opinion

We have audited the financial statements of Hansel Foundation Group and Charitable Company for the year ended 31 March 2021 which comprise the Consolidated and Parent Company Income and Expenditure Account, the Consolidated and Parent Company Statement of Financial Activities, the Consolidated and Parent Company Balance Sheet, the Consolidated and Parent Company Statement of Cash Flows and the notes to the Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2021 and of the group's and the charitable company's incoming resources and application of resources, including the 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 the 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.

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report (including Group Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report (including Group Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (including Group Strategic Report).

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:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 9 and 10, the directors 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 directors 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 directors are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Trustees.

Based on our understanding of the charity and industry, discussions with management and trustees we identified financial reporting standards and Companies Act 2006 and Charity SORP as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the charity's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Board of Trustees' minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals, provisions, stock impairment, recoverability of trade debtors and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business;

Report of the Independent Auditors to the Directors and Members of Hansel Foundation (Registered number: SC038440)

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 directors (who are also the trustees of the charitable company for the purposes of charity law), 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. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Angus McCuaig (Senior Statutory Auditor)
for and on behalf of Hardie Caldwell LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date:

Hansel Foundation Group Consolidated Income and Expenditure Account For the year ended 31 March 2021

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
INCOME					
Donations and legacies	3	-	88,879	88,879	121,754
Residential service funding	4	-	4,135,470	4,135,470	4,228,681
Domiciliary care & outreach service funding	4	-	5,485,966	5,485,966	6,249,157
Employability activities income	4	19,500	291,881	301,881	355,588
Property income	4	-	73,316	73,316	70,443
Other trading activities	5	-	23,699	23,699	253,089
Investment income	6	-	2,144	2,144	5,003
Corporate services income		-	4,500	4,500	18,000
Covid-19 Government Funding	7	-	1,075,142	1,075,142	37,971
Total income		<u>19,500</u>	<u>11,180,997</u>	<u>11,200,497</u>	<u>11,339,686</u>
EXPENDITURE					
Raising funds	9	-	175,483	175,483	283,042
Charitable activities:					
• Direct costs		3,364	9,765,700	9,769,064	9,954,720
• Support costs		-	1,087,046	1,087,046	1,144,090
• Governance costs		-	60,759	60,759	58,757
• Bank Interest payable	8	-	548	548	1,279
Total expenditure		<u>3,364</u>	<u>11,089,536</u>	<u>11,092,900</u>	<u>11,441,888</u>
Net income/(expenditure) for year		<u>16,136</u>	<u>91,461</u>	<u>107,597</u>	<u>(102,202)</u>

Movements in the funds of the charitable group are as shown in the Consolidated Statement of Financial Activities on page 22.

None of the group's activities were acquired or discontinued during the above two financial years.

The notes form part of these Accounts.

Hansel Foundation Parent Company Income and Expenditure Account For the year ended 31 March 2021

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations and legacies	3	-	88,879	88,879	121,754
Property income	4	-	115,016	115,016	113,943
Corporate services income	4	-	848,454	848,454	844,910
Service development funding	4	-	223,189	223,189	262,186
Fund-raising events income	5	-	407	407	87,814
Other trading activity	5	-	-	-	7,756
Investment income	6	-	36,644	36,644	41,103
Covid-19 Government Funding	7	-	97,393	97,393	1,138
Total income		<u>-</u>	<u>1,409,982</u>	<u>1,409,982</u>	<u>1,480,604</u>
EXPENDITURE					
Raising funds	9	-	154,914	154,914	222,669
Charitable activities:					
• Direct costs		-	1,124,645	1,124,645	1,178,682
• Support costs		-	99,738	99,738	101,382
• Governance costs		-	32,824	32,824	31,066
• Bank Interest payable	8	-	137	137	320
Total expenditure		<u>-</u>	<u>1,412,258</u>	<u>1,412,258</u>	<u>1,534,119</u>
Net expenditure for year		<u>-</u>	<u>(2,276)</u>	<u>(2,276)</u>	<u>(53,515)</u>

Movements in the funds of the charitable company are as shown on the Statement of Financial Activities on page 23.

All activities are classed as continuing.

The notes form part of these Accounts.

Hansel Foundation Group Consolidated Statement of Financial Activities

For the year ended 31 March 2021

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from					
Donations and legacies	3	-	88,879	88,879	121,754
Charitable activities:	4				
Residential service funding		-	4,135,470	4,135,470	4,228,681
Domiciliary care & outreach service funding		-	5,485,966	5,485,966	6,249,157
Employability activities income		19,500	291,881	301,881	355,588
Property income		-	73,316	73,316	70,443
Corporate services income		-	4,500	4,500	18,000
Other trading activities	5	-	23,699	23,699	253,089
Investment income	6	-	2,144	2,144	5,003
Covid-19 Government Funding	7	-	1,075,142	1,075,142	37,971
Total income		19,500	11,180,997	11,200,497	11,339,686
Expenditure on					
Raising funds	9	-	175,483	175,483	283,042
Charitable activities:	10				
Residential service costs		3,364	3,929,467	3,932,831	3,959,499
Domiciliary care and outreach service costs		-	6,083,960	6,083,960	6,302,645
Employability activities costs		-	557,295	557,295	543,050
Property running costs		-	343,331	343,331	353,652
Total expenditure		3,364	11,089,536	11,092,900	11,441,888
Net income/(expenditure)		16,136	91,461	107,597	(102,202)
Reconciliation of funds					
Funds brought forward		15,470	4,419,248	4,434,718	4,536,920
Funds carried forward		31,606	4,510,709	4,542,315	4,434,718

The Consolidated Statement of Financial Activities amplifies the Consolidated Income and Expenditure Account and provides the information regarding all movements in the funds of the charitable group.

The notes form part of these Accounts.

Hansel Foundation Parent Company Statement of Financial Activities For the year ended 31 March 2021

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from					
Donations and legacies	3	-	88,879	88,879	121,754
Charitable activities:					
Property income	4	-	115,016	115,016	113,943
Corporate services income	4	-	848,454	848,454	844,910
Service development funding	4	-	223,189	223,189	262,186
Other trading activities	5	-	407	407	95,570
Investment income	6	-	36,644	36,644	41,103
Covid-19 Government Funding	7	-	97,393	97,393	1,138
Total income		-	1,409,982	1,409,982	1,480,604
Expenditure on					
Raising funds	9	-	154,914	154,914	222,669
Charitable activities:					
Property running costs	11	-	343,331	343,331	353,652
Group services support	11	-	914,013	914,013	957,798
Total expenditure		-	1,412,258	1,412,258	1,534,119
Net expenditure		-	(2,276)	(2,276)	(53,515)
Reconciliation of funds					
Funds brought forward		-	4,129,246	4,129,246	4,182,761
Total funds carried forward		-	4,126,970	4,126,970	4,129,246

The notes form part of these Accounts.

Hansel Foundation Group Consolidated Balance Sheet As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	20	<u>3,024,073</u>	<u>3,132,481</u>
Current assets			
Stock	21	21,553	14,904
Debtors	22	1,321,418	1,239,502
Cash at bank and in hand		<u>1,651,104</u>	<u>1,796,090</u>
		2,994,075	3,050,496
Creditors: Amounts falling due within one year	23	<u>(1,215,326)</u>	<u>(1,182,686)</u>
Net current assets		<u>1,778,749</u>	<u>1,867,810</u>
Total assets less current liabilities		4,802,822	5,000,291
Creditors: Amounts falling due after more than one year	24	<u>(260,507)</u>	<u>(565,573)</u>
Net assets		<u>4,542,315</u>	<u>4,434,718</u>
Funds			
Unrestricted funds			
General funds	28a	1,518,244	1,302,239
Designated funds	28a	<u>2,992,465</u>	<u>3,117,009</u>
		4,510,709	4,419,248
Restricted funds	28b	<u>31,606</u>	<u>15,470</u>
		<u>4,542,315</u>	<u>4,434,718</u>

The Accounts on pages 20 to 45 were approved by the Board of Directors on 4 August 2021 and signed on their behalf by:

A.H. Dewar Director

D.G. Chalmers Director

The notes form part of these Accounts.

Hansel Foundation Parent Company Balance Sheet As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	20	<u>2,894,629</u>	<u>2,973,581</u>
Current assets			
Debtors	22	232,900	359,894
Cast at bank and in hand		<u>1,277,376</u>	<u>1,276,274</u>
		1,510,276	1,636,168
Creditors: Amounts falling due within one year	23	<u>(177,935)</u>	<u>(260,503)</u>
Net current assets		1,332,341	1,375,665
Total assets less current liabilities		<u>4,226,970</u>	<u>4,349,246</u>
Creditors: Amounts falling due after more than one year	24	<u>(100,000)</u>	<u>(220,000)</u>
Net assets		<u>4,126,970</u>	<u>4,129,246</u>
Funds			
Unrestricted			
General funds	28a	1,232,341	1,155,665
Designated funds	28a	<u>2,894,629</u>	<u>2,973,581</u>
		4,126,970	4,129,246
Restricted funds	28b	<u>-</u>	<u>-</u>
		<u>4,126,970</u>	<u>4,129,246</u>

The Accounts on pages 20 to 45 were approved by the Board of Directors on 4 August 2021 and signed on their behalf by:

A.H. Dewar

Director

D.G. Chalmers

Director

The Notes on form part of these Accounts.

**Hansel Foundation Group Consolidated Statement of Cash Flows
For the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash from operating activities	29	<u>493,834</u>	<u>393,378</u>
Cash flows from investing activities			
Interest received		2,144	5,003
Interest paid		(3,331)	(5,611)
Payments to acquire tangible fixed assets		(89,825)	(38,044)
Proceeds on disposal of fixed assets		<u>6,403</u>	<u>-</u>
Cash (used in) investing activities		<u>(84,609)</u>	<u>(38,652)</u>
Cash flows from financing activities			
Repayment of pension scheme settlement		(500,000)	-
Hire purchase repayments		(34,211)	(32,399)
Repayment of bank borrowings		<u>(20,000)</u>	<u>(20,000)</u>
Cash used in financing activities		<u>(554,211)</u>	<u>(52,399)</u>
Net (decrease)/increase in cash and cash equivalent		(144,986)	302,327
Cash and cash equivalents at the beginning of the year		1,796,090	1,493,763
Cash and cash equivalents at the end of the year		<u>1,651,104</u>	<u>1,796,090</u>
Cash and bank balances		<u>1,651,104</u>	<u>1,796,090</u>

Hansel Foundation Parent Company Statement of Cash Flows For the Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash from operating activities	29	<u>268,091</u>	<u>163,092</u>
Cash flows from investing activities			
Interest received		36,644	41,103
Interest paid		(137)	(320)
Purchase of tangible fixed assets		<u>(83,496)</u>	<u>(21,524)</u>
Cash from investing activities		<u>(46,989)</u>	<u>19,259</u>
Cash flows for financing activities			
Repayment of pension scheme settlement		(200,000)	-
Repayments of bank borrowings		<u>(20,000)</u>	<u>(20,000)</u>
Cash used in financing activities		<u>(220,000)</u>	<u>(20,000)</u>
Net increase in cash and cash equivalents		1,102	162,351
Cash and cash equivalents at the beginning of the year		1,276,274	1,113,923
Cash and cash equivalents at the end of the year		<u>1,277,376</u>	<u>1,276,274</u>
Cash and bank balances		<u>1,277,376</u>	<u>1,276,274</u>

Hansel Foundation Group Notes to the Consolidated Accounts For the Year ended 31 March 2021

1. *Legal status of the group*

Both the charities comprising the group, see below, are companies limited by guarantee, incorporated and registered in Scotland, under company numbers SC038440 and SC184374 and have no share capital. The liability of each member in the event of winding up is limited to £1.

The registered charity numbers are SC001514 and SC027681.

The registered office is Murdoch House, Broadmeadows, Symington, Ayrshire, KA1 5PU.

2. *Accounting policies*

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:-

Basis of accounting

The accounts of the group and of the charitable company have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The income and expenditure account is an adaptation of the formats laid down in the Companies Act 2006 in order to recognise the special nature of the group and the charitable company's activities and in order to give information in a manner beneficial to the members, as provided for in the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The accounts of Hansel Foundation and its wholly owned subsidiary charitable company, Hansel Alliance, are consolidated in the group accounts.

Going Concern

In light of Covid-19 the Directors have considered the application of the going concern principle. Detailed budgets are presented to and approved by the Board of Directors with regular monitoring through review of management accounts. We would refer you to our Reserves Policy and Going Concern section of the Directors' Report on pages 8 and 9. The Directors consider that adequate resources are available to fund the activities of the charitable group for the foreseeable future. On the basis of budgets and other financial procedures in place the Directors believe the going concern principle is appropriate to these financial statements. There are no known material uncertainties regarding the charity's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income received in advance of service provision is deferred until the income recognition criteria are met.

Gifted assets

Any receipts of fixed assets by way of gift are capitalised and included in the balance sheet. The market value of the gifted asset is credited to the designated fund. This fund is debited over the useful life of the gifted assets by charging depreciation in accordance with the fixed asset accounting policy.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)

For the Year ended 31 March 2021

2. Accounting policies (cont'd)

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is inclusive of any VAT which cannot be recovered. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of the laundry service, tearoom and shop, Hi Street gift shop and associated support costs and the costs of arranging fund raising events and seeking voluntary contributions from companies, individuals, trusts and other organisations.
- Expenditure on charitable activities includes the costs of activities to further the objects of the charity and associated support costs.

Expenditure, including staff costs, is allocated to charitable activities as detailed in notes 10 and 11. Support costs are functions that assist in the work of the charity but do not directly undertake charitable activities to include office costs, finance, personnel and governance costs. Governance costs are costs associated with meeting constitutional and statutory requirements such as the cost of Board meetings, the audit of the statutory accounts and staff costs associated with the strategic as opposed to the day to day management of the charity's activities and support to non-executive directors.

Capitalisation and depreciation of tangible fixed assets

All assets costing more than £500 are capitalised.

The cost or carrying value of heritable property, less the assessed residual value, is written off over the property's estimated useful life. This estimated useful life is re-assessed annually, and depreciation adjusted if necessary. Depreciation on heritable property is therefore provided at rates from 2% to 50%, on a straight-line basis.

Depreciation on all other assets is provided at the following rates in order to write off each asset over its estimated useful life:-

Furniture and fittings	10%	reducing balance basis
Motor vehicles	25%	reducing balance basis
Plant and equipment	10% - 30%	reducing balance basis

Furniture and fittings acquired for use in the provision of furnished residential accommodation are not capitalised but charged to 'resources expended' when purchased. This is because the useful life of such items is difficult to predict, and is considered relatively short due to a high level of wear and tear.

Stock

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Financial instruments

The group and charity only 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 their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due with appropriate allowances for any irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short term of maturity from opening of the deposit or similar account.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)

For the Year ended 31 March 2021

2. *Accounting policies (cont'd)*

Creditors

Creditors, other creditors and accruals are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, other creditors and accruals are normally recognised at their settlement amount after allowing for any trade discounts due.

Hire Purchase and Lease Commitments

Assets obtained under Hire Purchase contracts are capitalised in the Balance Sheet and depreciated over their estimated useful lives. The interest element of these obligations is charged to the Income and Expenditure Account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to income as they are incurred.

Employee benefits

Defined benefit scheme

The charity closed its membership of the Local Government Pension Scheme (defined benefit) during financial year ended 31 March 2017. Details of the exit debt arising are disclosed within note 26.

Defined contribution pension schemes

Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the charity in independently administered funds.

Taxation

Hansel Foundation and Hansel Alliance are both registered charities and are accordingly exempt from taxation on income which is applied for charitable purposes.

Funds

Funds are classified as unrestricted or restricted as follows:

Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the charities. Where part of the unrestricted fund is earmarked at the discretion of the Directors for a particular purpose it is designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Directors' discretion to apply the fund.

Restricted funds are those subject to specific conditions as to the use that can be made of the funds imposed by the donor or by terms of the receipt. If expended on capital items these funds are reduced in line with the depreciation charge on the assets acquired with such funds (note 28b).

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)

For the Year ended 31 March 2021

3. Donations and legacies

	2021		2020	
	Group £	Company £	Group £	Company £
Membership fees	-	-	8	8
Donations under £250	5,731	5,731	18,316	18,316
Trusts, donations and legacies over £250	83,148	83,148	103,430	103,430
	<u>88,879</u>	<u>88,879</u>	<u>121,754</u>	<u>121,754</u>

4. Charitable activities income

	2021		2020	
	Group £	Company £	Group £	Company £
Residential service funding	4,135,470	-	4,228,681	-
Domiciliary care and outreach service funding	5,485,966	-	6,249,157	-
Employability activities income	301,881	-	355,588	-
Property income	73,316	115,016	70,443	113,943
Corporate services income	4,500	848,454	18,000	844,910
Service development funding	-	223,189	-	262,186

Income from charitable activities in respect of residential services and domiciliary care and outreach services is generated by service provision to individual customers and is either funded by local authorities or the individual customers. Employability activities income is grant income received through the work choice programme and other employability funding.

Income from charitable activities in respect of property is generated from the rental of tenanted properties.

Corporate services income represents charges made to the subsidiary charity during the year in respect of senior management and corporate services support provided.

Service development funding represents contributions from the subsidiary charity towards investment in development and sustainability of group activities.

5. Other trading activities

	2021		2020	
	Group £	Company £	Group £	Company £
Fundraising events	407	407	87,814	87,814
Tearoom, shop sales and laundry services	23,292	-	165,275	7,756
	<u>23,699</u>	<u>407</u>	<u>253,089</u>	<u>95,570</u>

Due to the Covid-19 pandemic fundraising efforts during the year concentrated on grant applications and project specific donors, the income for which is included under donations and legacies (note 3).

6. Investment income

	2021		2020	
	Group £	Company £	Group £	Company £
Bank interest received	2,144	2,144	5,003	5,003
Interest received from subsidiary undertaking	-	34,500	-	36,100
	<u>2,144</u>	<u>36,644</u>	<u>5,003</u>	<u>41,103</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

7. Covid-19 Government Funding

	2021		2020	
	Group £	Company £	Group £	Company £
HMRC Job Retention Scheme	628,540	83,432	11,669	913
Other funding income	446,602	13,961	26,302	225
	<u>1,075,142</u>	<u>97,393</u>	<u>37,971</u>	<u>1,138</u>

Other funding income is received through Scottish Government Support for care service business interruption, additional costs for technology to enable staff to work from home and additional personal protective equipment (PPE) expenditure incurred.

8. Interest payable

	2021		2020	
	Group £	Company £	Group £	Company £
Hire purchase interest	2,783	-	4,332	-
Bank interest payable	548	137	1,279	320
	<u>3,331</u>	<u>137</u>	<u>5,611</u>	<u>320</u>

9. Analysis of expenditure on raising funds

	2021		2020	
	Group £	Company £	Group £	Company £
Other costs : consumables for tearoom, shop sales, etc	20,569	-	66,644	6,271
Cost re fundraising event direct costs - staff	83,481	83,481	86,985	86,985
- other	65,172	65,172	122,889	122,889
Cost re fundraising event support	6,261	6,261	6,524	6,524
	<u>175,483</u>	<u>154,914</u>	<u>283,042</u>	<u>222,669</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd) For the Year ended 31 March 2021

10. Analysis of expenditure on Group charitable activities

	Direct Costs		Support costs and interest payable		Total 2021	Total 2020
	Staff costs	Other costs	Staff costs	Other costs		
	£	£	£	£	£	£
Direct charitable expenditure;						
Residential service costs	2,993,687	476,751	241,843	220,550	3,932,831	3,959,499
Domiciliary care and outreach service costs	5,334,487	113,891	405,443	230,139	6,083,960	6,302,645
Employability activities costs	495,762	(31,251)	64,017	28,767	557,295	543,050
Property running costs	-	328,693	-	14,638	343,331	353,652
	<u>8,823,936</u>	<u>888,084</u>	<u>711,303</u>	<u>494,094</u>	<u>10,917,417</u>	<u>11,158,846</u>
Totals 2020	<u>8,913,316</u>	<u>1,041,403</u>	<u>678,760</u>	<u>525,367</u>		<u>11,158,846</u>

£3,364 of depreciation costs in respect of residential service costs were met from restricted funds (2020: £4,319).

No property running costs were met from restricted funds (2020: Nil).

The activities underlying the costs above, under each heading are:

Residential service costs – the provision of care services within registered residential and respite accommodation, located at the Broadmeadows site, Prestwick and in Beith.

Domiciliary care and outreach service costs – community based care services, supporting people to live independently in their own homes, and/or the provision of leisure and other social activities.

Employability activities costs – the delivery of various employability related services, including operation of the laundry, Lindy's tearoom and grounds maintenance small businesses based at the Broadmeadows site.

Property running costs – revenue expenditure linked to the development and maintenance of Hansel Foundation's property portfolio, for both tenanted accommodation and property made available to Hansel Alliance for its service delivery.

11. Analysis of expenditure on Parent company charitable activities

	Direct costs		Governance & Support		Total 2021	Total 2020
	Staff costs	Other costs	Staff costs	Other costs		
	£	£	£	£	£	£
Direct charitable expenditure:						
Property running costs	-	328,693	-	14,638	343,331	353,652
Group services support	620,801	175,151	90,502	27,559	914,013	957,798
	<u>620,801</u>	<u>503,844</u>	<u>90,502</u>	<u>42,197</u>	<u>1,257,344</u>	<u>1,311,450</u>
Totals 2020	<u>591,227</u>	<u>587,455</u>	<u>87,533</u>	<u>45,235</u>		<u>1,311,450</u>

No group service support costs were met from restricted funds (2020: Nil).

The activities underlying the costs above, under each heading are:

Property running costs – revenue expenditure linked to the development and maintenance of Hansel Foundation's property portfolio, for both tenanted accommodation and property made available to Hansel Alliance for its service delivery.

Group services support – these costs relate to the provision of senior management and corporate services support across all Hansel group activity, as well as Hansel Foundation's overarching role in the shaping and review of group service provision, including the delivery of public relations and research and development functions, together with the commitment to subsidising costs of under-funded services during transitional periods.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

12. Analysis of governance and support costs within Group direct charitable expenditure

	Staff costs £	Other Costs £	Governance Costs £	2021 Total £	2020 Total £
Charitable activity:					
Residential service costs	241,843	211,052	9,498	462,393	452,579
Domiciliary care and outreach costs	405,443	214,216	15,923	635,582	646,077
Employability activities costs	64,017	26,253	2,514	92,784	91,789
Property running costs	-	(16,428)	31,066	14,638	13,682
	<u>711,303</u>	<u>435,093</u>	<u>59,001</u>	<u>1,205,397</u>	<u>1,024,127</u>
Totals 2020	<u>678,760</u>	<u>466,610</u>	<u>58,757</u>		<u>1,204,127</u>

Governance costs above include staff costs of £12,885 (2020: £12,191).

13. Analysis of governance and support costs within Parent company direct charitable expenditure

	Support Costs £	Other Costs £	Governance Costs £	2021 Total £	2020 Total £
Charitable activity:					
Property running costs	-	14,638	-	14,638	13,682
Group service support	90,502	(5,265)	32,824	118,061	119,086
	<u>90,502</u>	<u>9,373</u>	<u>32,824</u>	<u>132,699</u>	<u>132,768</u>
2020	<u>87,533</u>	<u>14,169</u>	<u>31,066</u>		<u>132,768</u>

Governance costs include the internal costs of strategic planning, other support to non-executive directors and external audit.

14. Group net (expenditure)/income

Group net (expenditure)/income is stated after charging:

	2021 £	2020 £
Auditors' remuneration (net of VAT)		
- audit	14,200	14,000
- other services	850	1,500
Operating lease rentals		
- other plant & equipment	14,564	20,353
Depreciation		
- owned assets	172,974	176,238
- assets on hire purchase contracts	17,754	23,998
Interest payable	3,331	5,611
Loss on disposal of other fixed assets	<u>1,102</u>	<u>-</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)

For the Year ended 31 March 2021

15. Analysis of staff costs, trustee remuneration and expenses, and cost of key management personnel

	2021		2020	
	Group £	Company £	Group £	Company £
Wages and salaries	8,561,125	632,242	8,632,456	607,059
Social security costs	689,847	77,657	670,928	74,819
Other pension costs	367,748	84,885	375,677	83,867
	<u>9,618,720</u>	<u>794,784</u>	<u>9,679,061</u>	<u>765,745</u>

The number of employees with employee benefits, excluding employer pension contributions, in excess of £60,000 was as follows:-

	2021		2020	
	Group No.	Company No.	Group No.	Company No.
£60,001 to £70,000	1	1	3	2
£70,001 to £80,000	1	1	-	-
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	1	1	1	1

In 2021 one Director also held a senior management post within the organisation. The remuneration for his employment, not in respect of his position as charity trustee, was as follows;

	2021		2020	
	Gross Salary £	Employer Pension £	Gross Salary £	Employer Pension £
Managing Director	<u>95,654</u>	<u>13,814</u>	<u>90,628</u>	<u>13,338</u>

During the financial year a 3.3% increase in salaries was agreed by Hansel's Board of Directors for all team members including management and corporate services personnel and implemented from 1 October 2020. Further variances in remuneration between reporting periods may arise due to Directors exercising their entitlement to buy or sell annual leave in accordance with the organisation's Annual Leave Policy, which is available to all employees. Variances may also be due to appointments or resignations within the financial year.

No payment was made to any Director in respect of reimbursement of expenses relative to their role as trustee in either 2021 or 2020. No other Director/trustee was in receipt of remuneration (2020: none).

The key management of the charitable group comprise the Managing Director named above, the Operations Director and the Corporate Services Director. The total employee benefits of the key management personnel, were £297,392 including pension costs and employer's National Insurance costs (2020: £280,955).

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

16. Staff numbers

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

	2021		2020	
	Group No.	Company No.	Group No.	Company No.
Residential care staff	114	-	115	-
Domiciliary/outreach staff	194	-	212	-
Employability activities staff	31	-	34	-
Support service staff including fundraising	30	26	28	27
	369	26	389	27

17. Comparatives for the Consolidated Statement of Financial Activities

	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 £
Income and endowments from			
Donations and legacies	-	121,754	121,754
Charitable activities:			
Residential service funding	-	4,228,681	4,228,681
Domiciliary care & outreach service			
Funding	-	6,249,157	6,249,157
Employability activities income	-	355,588	355,588
Property income	-	70,443	70,443
Corporate services income	-	18,000	18,000
Other trading activities	-	253,089	253,089
Investment income	-	5,003	5,003
Covid-19 Government Funding	-	37,971	37,971
Total income	-	11,339,686	11,339,686
Expenditure on			
Raising funds	-	283,042	283,042
Charitable activities:			
Residential service costs	4,319	3,955,180	3,959,499
Domiciliary care and outreach			
service costs	-	6,302,645	6,302,645
Employability activities costs	-	543,050	543,050
Property running costs	-	353,652	353,652
Total expenditure	4,319	11,437,569	11,441,888
Net income	(4,319)	(97,883)	(102,202)
Reconciliation of funds			
Funds brought forward	19,789	4,517,131	4,536,920
Total funds carried forward	15,470	4,419,248	4,434,718

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd) For the Year ended 31 March 2021

18. Comparatives for the Parent Company Statement of Financial Activities

	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 £
Income and endowments from			
Donations and legacies	-	121,754	121,754
Charitable activities:			
Property income	-	113,943	113,943
Corporate services income	-	844,910	844,910
Other development funding	-	262,186	262,186
Other trading activities	-	95,570	95,570
Investment income	-	41,103	41,103
Covid-19 Government Funding	-	1,138	1,138
Total income	-	1,480,604	1,480,604
Expenditure on			
Raising funds	-	222,669	222,669
Charitable activities:			
Property running costs	-	353,652	353,652
Group services support	-	957,798	957,798
Total expenditure	-	1,534,119	1,534,119
Net income	-	(53,515)	(53,515)
Reconciliation of funds			
Funds brought forward	-	4,182,761	4,182,761
Total funds carried forward	-	4,129,246	4,129,246

19. Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 2525 of the Taxation Chargeable Gains Act 1992 to the extent these are applied to its charitable objects.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

20. Tangible fixed assets

Group	Heritable Property £	Furniture & Fittings £	Motor Vehicles £	Plant & Equipment £	Total £
Cost					
At 1 April 2020	7,110,413	115,399	214,394	399,825	7,840,031
Additions in year	77,202	-	-	12,623	89,825
Disposals in year	-	(9,405)	(23,071)	(11,396)	(43,872)
At 31 March 2021	7,187,615	105,994	191,323	401,052	7,885,984
Depreciation					
At 1 April 2020	4,171,859	81,555	138,193	315,943	4,707,550
Charge for year	149,630	2,830	18,808	19,460	190,728
Eliminated on disposals	-	(3,853)	(22,097)	(10,417)	(36,367)
At 31 March 2021	4,321,489	80,532	134,904	324,986	4,861,911
Net book value					
At 31 March 2021	2,866,126	25,462	56,419	76,066	3,024,073
At 31 March 2020	2,938,554	33,844	76,201	83,882	3,132,481

The net book value of fixed assets includes £56,418 (2020: £76,201) in respect of assets acquired under hire purchase contracts.

Company	Heritable Property £	Furniture & Fittings £	Motor Vehicles £	Plant & Equipment £	Total £
Cost					
At 1 April 2020	7,110,413	13,166	9,995	72,905	7,206,479
Additions in year	77,202	-	-	6,294	83,496
Disposals in year	-	(9,405)	-	-	(9,405)
At 31 March 2021	7,187,615	3,761	9,995	79,199	7,280,570
Depreciation					
At 1 April 2020	4,171,859	6,597	5,779	48,663	4,232,898
Charge for year	149,630	102	1,054	6,110	156,896
Eliminated on disposals	-	(3,853)	-	-	(3,853)
At 31 March 2021	4,321,489	2,846	6,833	54,773	4,285,941
Net book value					
At 31 March 2021	2,866,126	915	3,162	24,426	2,894,629
At 31 March 2020	2,938,554	6,569	4,216	24,242	2,973,581

The depreciation charge for property would have been £289,360 if individual heritable property had not been subject to re-assessment of residual value and estimated useful life.

21. Stock

	2021		2020	
	Group £	Company £	Group £	Company £
Raw materials	19,144	-	11,796	-
Finished goods	2,409	-	3,108	-
	21,553	-	14,904	-

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

22. Debtors

	2021		2020	
	Group £	Company £	Group £	Company £
Balance due from subsidiary undertaking	-	142,925	-	204,395
Trade debtors	902,662	-	968,032	-
Other debtors	89,975	89,975	155,499	155,499
Prepayments and accrued income	328,781	-	115,971	-
	<u>1,321,418</u>	<u>232,900</u>	<u>1,239,502</u>	<u>359,894</u>

23. Creditors: Amounts falling due within one year

	2021		2020	
	Group £	Company £	Group £	Company £
Trade creditors	26,839	-	48,289	-
Taxation and social security costs	160,860	19,986	171,629	20,898
Accruals	672,562	37,949	408,557	19,605
RBS Bounceback Loan	50,000	-	-	-
HP purchase creditor	35,065	-	34,211	-
Pension scheme settlement (see note 26)	250,000	100,000	500,000	200,000
Term loan (see note 24)	20,000	20,000	20,000	20,000
	<u>1,215,326</u>	<u>177,935</u>	<u>1,182,686</u>	<u>260,503</u>

The Directors have decided to repay the RBS Bounceback Loan before its first anniversary (post year-end), by which point no interest charges will be payable.

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

	2021		2020	
	Group £	Company £	Group £	Company £
HP creditor	10,507	-	45,573	-
Term loan	-	-	20,000	20,000
Pension scheme settlement (see note 26)	250,000	100,000	500,000	200,000
	<u>260,507</u>	<u>100,000</u>	<u>565,573</u>	<u>220,000</u>

Analysis of total repayments:-

	2021 £	2020 £
Amounts repayable by installments due:		
within one year	355,065	554,211
between one and two years	260,507	305,220
between two and five years	-	260,353
	<u>615,572</u>	<u>1,119,784</u>
Included in creditors: amounts falling due within one year	<u>(355,065)</u>	<u>(554,211)</u>
	<u>260,507</u>	<u>565,573</u>

The term loan from The Royal Bank of Scotland is secured by a bond and floating charge over the whole property and the undertaking of Hansel Foundation and Hansel Alliance. Interest is charged on a reducing balance basis at the rate of 2.0% per annum over base rate.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)

For the Year ended 31 March 2021

25. *Leasing commitments*

The charity has entered into a number of non-cancellable operating leases as lessee with various remaining minimum lease periods. The total future minimum lease payments under non-cancellable operating leases are payable as follows:

Other operating leases which expire:	2021		2020	
	Group £	Company £	Group £	Company £
Within one year	1,260	571	12,612	12,612
Later than one year but within five years	4,981	2,571	-	-
	<u>6,241</u>	<u>3,142</u>	<u>12,612</u>	<u>12,612</u>

Leasing commitments transferred to the guarantor parent charity and are now reported as a commitment of Hansel Foundation.

26. *Pension schemes*

During the year the Hansel Foundation Group operated two defined contribution schemes with contributions made to administered funds for the benefit of the employees.

During the year ended 31 March 2017 the charity negotiated an exit from membership of the Local Government Superannuation (Scotland) Scheme (LPGS), a defined benefit pension scheme. An exit settlement of £1,500,000 repayable interest free over a six year period was agreed to discharge any future pension liability (see notes 23 and 24).

Contributions to the schemes during the year were as follows:	31 March 2021		31 March 2020	
	Group £	Company £	Group £	Company £
Defined contribution schemes	<u>368,706</u>	<u>84,885</u>	<u>375,677</u>	<u>83,867</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

27. Analysis of net assets between funds

Group	Tangible fixed assets £	Net Current assets £	Liabilities > 1 year £	Total 2021 £	Total 2020 £
Unrestricted Funds	2,992,467	1,778,749	(260,507)	4,510,709	4,419,248
Restricted Funds	31,606	-	-	31,606	15,470
	<u>3,024,073</u>	<u>1,778,749</u>	<u>(260,507)</u>	<u>4,542,315</u>	<u>4,434,718</u>
Company					
Unrestricted Funds	2,894,629	1,332,341	(100,000)	4,126,970	4,129,246
Restricted Funds	-	-	-	-	-
	<u>2,894,629</u>	<u>1,332,341</u>	<u>(100,000)</u>	<u>4,126,970</u>	<u>4,129,246</u>

Comparatives for analysis of net assets between funds

Group	Tangible fixed assets £	Net Current assets £	Liabilities > 1 year £	Total 2020 £
Unrestricted Funds	3,117,011	1,867,810	(565,573)	4,419,248
Restricted Funds	15,470	-	-	15,470
	<u>3,132,481</u>	<u>1,867,810</u>	<u>(565,573)</u>	<u>4,434,718</u>
Company				
Unrestricted Funds	2,973,581	1,375,665	(220,000)	4,129,246
Restricted Funds	-	-	-	-
	<u>2,973,581</u>	<u>1,375,665</u>	<u>(220,000)</u>	<u>4,129,246</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

28. Analysis of charitable funds

(a) Unrestricted funds

Group	Balance at 1 April 2020 £	Income £	Expended £	Transfers £	Balance at 31 March 2021 £
Designated funds:					
Tangible fixed assets fund	3,117,009	-	-	(124,544)	2,992,465
	3,117,009	-	-	(124,544)	2,992,465
General reserve	1,302,239	11,180,997	(11,089,536)	124,544	1,518,244
	4,419,248	11,180,997	(11,089,536)	-	4,510,709

Transfers represented by;

Disposal of assets	(7,505)
Asset additions in year	89,825
Restricted funds adjustment	(16,136)
Less depreciation	(190,728)
	<u>(124,544)</u>

Company	Balance at 1 April 2020 £	Income £	Expended £	Transfers £	Balance at 31 March 2021 £
Designated funds:					
Tangible fixed assets fund	2,973,581	-	-	(78,952)	2,894,629
	2,973,581	-	-	(78,952)	2,894,629
General reserve	1,155,665	1,409,982	(1,412,258)	78,952	1,232,341
	4,129,246	1,409,982	(1,412,258)	-	4,126,970

Transfers represented by;

Loss on disposal of assets	(5,552)
Asset additions in year	83,496
Less depreciation	(156,896)
	<u>(78,952)</u>

The tangible fixed assets fund has been set up to assist in identifying those funds that are not free funds. It represents the net book value of tangible fixed assets, excluding those assets acquired with restricted funds.

The general reserve fund represents the “free reserves” after allowing for all designated funds.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

28. Analysis of charitable funds (cont'd)

(b) Restricted funds	Balance at 1 April 2020 £	Income £	Expenditure and Transfers £	Balance at 31 March 2021 £
Donations over £250	-	-	-	-
Company total	-	-	-	-
Storage, racking & shelving	72	-	(7)	65
Market gardens equipment	14	-	(4)	10
Equipment for residential unit	3,474	-	(695)	2,779
Vehicles for residential unit	714	-	(179)	535
Vehicle for respite services	493	-	(123)	370
Vehicle for residential unit	4,303	-	(1,076)	3,227
Commercial washing machine	6,400	-	(1,280)	5,120
Horticultural project	-	10,000	-	10,000
Commercial washing machine	-	9,500	-	9,500
Group total	15,470	19,500	(3,364)	31,606
Represented by :				
Cash at bank	-			19,500
Fixed assets	15,470			12,106
	15,470			31,606

Restricted funds represent grants and donations that have been received for the purpose of providing residential accommodation, or for specific capital/project expenditure.

Comparatives for analysis of charitable funds

(a) Unrestricted funds

Group	Balance at 1 April 2019 £	Income £	Expended £	Transfers £	Balance at 31 March 2020 £
Designated funds:					
Tangible fixed assets fund	3,274,884	-	-	(157,873)	3,117,011
	3,274,884	-	-	(157,873)	3,117,011
General reserve	1,242,247	11,339,686	(11,437,569)	157,873	1,302,237
	4,517,131	11,339,686	(11,437,569)	-	4,419,248
Transfers represented by;					
Asset additions in year				38,044	
Restricted funds adjustment				4,319	
Less depreciation				(200,236)	
				(157,873)	

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2021

28. Comparatives for analysis of charitable funds (cont'd)

Company	Balance at 1 April 2019 £	Income £	Expended £	Transfers £	Balance at 31 March 2020 £
Designated funds:					
Tangible fixed assets fund	3,109,730	-	-	(136,149)	2,973,581
	3,109,730	-	-	(136,149)	2,973,581
General reserve	1,073,031	1,480,604	(1,534,119)	136,149	1,155,665
	4,182,761	1,480,604	(1,534,119)	-	4,129,246

Transfers represented by;

Asset additions in year

Less depreciation

21,524

(157,673)

(136,149)

(b) <i>Restricted funds</i>	Balance at 1 April 2019 £	Income £	Expenditure and Transfers £	Balance at 31 March 2020 £
Donations over £250	-	-	-	-
Company total	-	-	-	-
Storage, racking & shelving	80	-	(8)	72
Market gardens	20	-	(6)	14
Equipment for residential unit	4,342	-	(868)	3,474
Vehicles for residential unit	952	-	(238)	714
Vehicle for respite services	658	-	(165)	493
Vehicle for residential unit	5,737	-	(1,434)	4,303
Commercial washing machine	8,000	-	(1,600)	6,400
Group total	19,789	-	(4,319)	15,470

Represented by :

Cash at bank

Fixed assets

-

19,789

19,789

-

15,470

15,470

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)

For the Year ended 31 March 2021

29. *Note to the statement of cash flows*

Group

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

	2021	2020
	£	£
Net movement in funds (as per the statement of financial activities)	107,597	(102,202)
Adjustment for items not regarded as operating activities for cash flow statement:		
Deduct interest income shown in investing activities	(2,144)	(5,003)
Add back interest expenditure shown in investing activities	3,331	5,611
Add back depreciation	190,728	200,236
Loss on disposal of other fixed assets	1,102	-
Increase in stock	(6,649)	(3,548)
(Increase)/decrease in debtors	(81,916)	338,007
Increase/(decrease) in creditors	281,785	(39,723)
Net cash from operating activities	<u>493,834</u>	<u>393,378</u>

Company

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

	2021	2020
	£	£
Net movement in funds (as per the statement of financial activities)	(2,276)	(53,515)
Adjustment for items not regarded as operating activities for cash flow statement:		
Deduct interest income shown in investing activities	(36,644)	(41,103)
Add back interest expenditure shown in investing activities	137	320
Add back depreciation	156,896	157,673
Gain on disposal of fixed assets	5,552	-
Decrease in debtors	126,994	104,357
Increase/(decrease) in creditors	17,432	(4,640)
Net cash from operating activities	<u>268,091</u>	<u>163,092</u>

30. ***Commitments : Group and Company***

There were no capital commitments, contracted or not contracted, at the end of the financial year (£nil as at 31 March 2020).

Hansel Foundation has provided cross guarantee arrangements in respect of its subsidiary company, Hansel Alliance. As at 31 March 2021 Hansel Alliance had no bank borrowings (2020: £Nil).

31. ***Related party disclosures***

The company has taken advantage of the exemption from disclosing transactions with its subsidiary entity, Hansel Alliance, on the grounds that it is included in the consolidated accounts of Hansel Foundation.

There were no related party transactions between the charity and those deemed related parties for the year ended 31 March 2021, with the exception of matters addressed at note 15.

Appendix

Hansel Foundation - Charitable Trusts and other Donations etc. of £250 and over Receivable in year ended 31 March 2021

	Unrestricted Funds £
Trusts, donations and legacies as per the accounts includes the following:	
Thornhouse Stores	254
A. & D.M. Airey	300
Tannlin UK Ltd	318
Fiona Wilkinson	450
John B. Matthewman	450
Glasgow Ayrshire Society	500
M V Hillhouse Trust	1,000
High Clinton Memorial	1,061
AAYFC	1,106
Troon Arthritis Club	1,500
The Corra Foundation	2,000
Charities Aid Foundation	2,200
Derek F. Hale's Will Trust	3,014
Mrs M.H. McMillans Charitable Trust	3,500
The Wood Foundation YCF Award	4,000
G. Johnstone Executry	4,857
Mr G.H. Gordon	5,000
W A Cargill Fund	5,000
The Hugh & Maty Miller Bequest	7,000
Galleon Curling Club	8,000
The Gaiety Theatre	9,660
The John Scott Trust	10,000
Miss Jean Richardson's Estate	11,978
	<hr/>
	83,148
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