



Hansel Foundation

Group Annual Report & Accounts

**For The Year Ended
31 March 2023**

Scottish Charity NO: SC001514

Company Limited by Guarantee No: SC038440

Hansel Foundation

Contents and Introduction of the Consolidated Accounts

For the year ended 31 March 2023

Directors' Report (including Strategic Report)	pages 2 to 13
Report of the Independent Auditor	pages 14 to 17
Consolidated Income and Expenditure Account	page 18
Company Income and Expenditure Account	page 19
Consolidated Statement of Financial Activities	page 20
Company Statement of Financial Activities	page 21
Group Balance Sheet	page 22
Company Balance Sheet	page 23
Consolidated Statement of Cash Flows	page 24
Company Statement of Cash Flows	page 25
Notes forming part of the Accounts	pages 26 to 42
Appendix - Charitable Trusts & Other Donations	page 43

Vision

To give people of all abilities the freedom to live the life they choose.

Mission

Ensuring we deliver empowering support so every person feels included and experiences equality, choice, dignity, compassion and respect.

Our Values

We share a set of core values – respect, trust, team working, continuous improvement and inclusion – and they guide all that we do.

Hansel Foundation

Directors' Report for the year ended 31 March 2023

The Directors have pleasure in presenting the annual report together with the audited group accounts for the year ended 31 March 2023 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 for people with additional support needs. Hansel was established to make a positive difference to people's quality of life, and to enable them to lead lives of richness and meaning.

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

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

Group Strategic Report

Achievements and performance

Over the course of financial year 2022/23 although the impact of Covid-19 subsided there was still a residual impact on elements of Hansel Alliance services and operations, Hansel Alliance being the wholly owned subsidiary of Hansel Foundation. Additional pressure on service delivery increasingly reflected the resourcing challenges faced by the social care sector generally, these existing resourcing challenges were compounded by a continuing uncompetitive level of remuneration for care staff as informed by the Adult Social Care rate set by the Scottish Government. The level of the Adult Social Care rate not only constrains our ability to recruit and retain key staff, it also plays a significant part in determining the level of funding we receive from our key health and social care partnership funders. The operational deficit for the year in Hansel Alliance was so significant that the Directors of Hansel Foundation felt it necessary to approve a parent company funding transfer of £400k from Hansel Foundation to Hansel Alliance. This is shown as subsidiary funding expenditure within both the statement of Income and Expenditure and the Statement of Financial activities on pages 19 and 21 respectively. During the year under review Hansel Foundation's senior management and corporate services teams continued their support to the wider organisation for which the subsidiary charity, Hansel Alliance, continues to meet its contributions towards management and service development costs incurred by Hansel Foundation.

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

The cost of living crisis not only impacted our employee cost base it also had a significant adverse impact across all our third party cost base, with the increases in utility costs being the most marked.

In recognition of the operating conditions described above, Directors would wish to firstly acknowledge the extraordinary commitment and resilience of the Hansel team in working through another most challenging year. Hansel team members have not only risen to this challenge, but have done so with admirable professionalism that reflects the standards now expected within our highly regulated operating environment.

The Board of Directors would again acknowledge support received from the two health and social care partnership organisations we work with in South and North Ayrshire.

In anticipation of both opportunities and challenges that remain in our sector Directors worked alongside the parent charity's Board to further review and refresh Hansel Alliance's strategic development objectives. Progress has been made within the reporting period to identify and begin planning of a number of important initiatives, more detail of which is provided within the 'plans for future periods' section below.

Shortly post the year end in question the Directors are pleased to advise that Hansel successfully tendered for and were awarded an extension of the delivery of service at the Red Rose House respite facility in North Ayrshire. Hansel were also successful in the tender for the provision of an additional Supported Living service at the new development of apartments in Carrick Street in Ayr. The award of these contracts demonstrates the quality of service that Hansel provides and shows the ongoing benefit of working collaboratively in partnership with our key funders. The Directors would like to thank South and North Ayrshire for the ongoing trust they place in us and we look forward to continuing to work on this basis.

Over the course of the reporting period Hansel Alliance maintained service provision as described within the following paragraphs.

Residential services – Although occupancy levels generally remained on or near target across our registered residential service accommodation, we did face some challenges in terms of some short term reductions in occupancy on occasion and a longer term reduction in capacity of our Shawburn facility, reducing from 9 residents to 8 due to operational constraints, impacting negatively on financial results. In total 38 residential places are offered within Hansel's Broadmeadows estate, with currently a further 8 resident places available within our Shawburn registered care home in Prestwick. Given the increasingly dated accommodation environment within Shawburn there is ongoing consultation with residents and their families regarding options for the future of the facility.

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

Respite and short break supports provide positive respite experiences built around customer choice. Accommodation-based respite breaks at Broadmeadows centre around our Cabin and Caravan facilities. In North Ayrshire we offer a respite service at the North Ayrshire Council facility at Red Rose House in Stevenston. The overall respite capacity of all the services we deliver can accommodate 23 customers. Occupancy levels at the Broadmeadows facilities dipped significantly in the year due in part to a demand from customers for more flexible booking stays, this resulted on occasion in gaps in bookings of dispersed days which are hard to fill operationally.

This impact combined with an historical level of under-funding made it a very challenging year financially for this service, incurring a significant deficit in the year. Hansel views respite care as a key component of care provision and firmly believes that this service needs to be appropriately funded in order to avoid or delay alternative forms of more costly care provision. One of our key objectives for the year 23/24 is to secure improved funding in this area of service provision.

The Connect lifestyle service although based in the Baird Centre within the Broadmeadows estate delivers support in a wide variety of locations. All support options have a community focus, with individual activities being a clear goal for people choosing this support option. Service activity averaged 50 people supported weekly over the financial year. The lower number of users than historically has been the case for this service is largely a function of the post pandemic environment and whilst the standard of service is very high it is anticipated that a new model of support will evolve in the new financial year 23/24 in line with our South Ayrshire funder's strategy.

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 85 people in their own tenancies with levels of support that meet individual needs.

Employability activities encompass the delivery of employment and social enterprise opportunities. Lindy's tearoom provides catering facilities for a wide customer base including internal customers and employees and it is also open to the general public. We saw activity levels gradually increase in the year, however they are still significantly below the levels achieved pre-pandemic. Similarly Hansel Laundry services gradually increased service volumes over the course of the year. Continuation of DWP TEGS funding towards supported employee placements across all three social enterprises, including the grounds maintenance team, remained a crucial source of income to maintain the viability of Hansel Alliance's small business operations. In total Hansel provides employment opportunities for 15 supported employees. Other key sources of funding include the National Lottery Community Fund award; this funding aimed at a group of young disabled people aged between 16-24 years of age who are transitioning from school to college. This project supports participants to develop horticulture and grounds maintenance skills that will hopefully lead to progression into positive destinations such as employment or volunteering. We are pleased to announce that shortly after the year end 22/23 we received notification that this source of funding has been extended for another two years.

Hansel Foundation Directors' Report for the year ended 31 March 2023 (cont'd)

Financial review

As in the previous financial year, a significant proportion of income of Hansel Foundation is derived from 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. In terms of financial performance for the year under review the deficit reported of £442k is in large part due to the exceptional transfer of funds of £400k to the subsidiary of Hansel Foundation, being Hansel Alliance. This was for the reasons stated above and it has no impact at Hansel group level.

Reflecting matters noted above, the Statement of Financial Activities relating to Hansel Foundation on page 21 shows that gross income increased by 8.8% to £1,522k, whilst total expenditure increased by 40.0% to £1,964k. The increase in total expenditure is significantly impacted by the £400k of subsidiary company funding, the underlying increase in expenditure is 11.5%. Total fund balances decreased over the year by £442k (2022: decrease of £4k).

During the year the Directors took the decision to bolster the senior leadership team by the recruitment of a new Finance and Operational Support Director, the belief is that the addition of this role will further enable the organisation to give increased focus to operational and strategic challenges and opportunities facing the group. During the year the organisation also invested in and embarked upon the implementation of a new system that will enable greater optimisation of operational resources going forward.

Directors would like to take this opportunity to note our gratitude to the many loyal and committed supporters who make an invaluable contribution to Hansel's continuing success. This would include generous volunteer hours provided by individuals and companies who often contribute their specialist skills to progress unfunded projects and initiatives.

The Consolidated Statement of Financial Activities on page 20 shows that gross income increases by 3.4% to £11,340k, whilst total expenditure increased by 8.6% to £11,791k. The increase in costs is largely reflective of the challenges faced by the organisation and the sector in the ability to recruit and retain care staff and more generally staff with the skills and experience required for the organisation. As a result, the Directors felt it necessary to make the decision to pay care staff in excess of the Scottish Government's minimum Adult Social care rate in order to secure the delivery of our services. This resulted in a significant increase to our employee cost base which was compounded by a significant increase in our third party cost base due to inflationary pressures and the cost of living crisis. These significant costs borne by the group where not wholly funded and therefore the group reports a significant deficit in the year of £451k (2022, surplus of £102k). Within the overall reported group deficit of £451k the subsidiary company Hansel Alliance reported a deficit of £9k, bearing in mind this deficit of £9k is post the transfer of parent company funds of £400k, therefore the underlying operating deficit in Hansel Alliance was £409k

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

Expenditure on the Hansel Group's charitable activities, as referred to within the Consolidated Statement of Financial Activities on page 20, 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 11 to the Accounts, on page 31.

Investment Policy and Performance

The present investment policy maximises interest earned on short to medium term deposits offered by the charity's bankers. In addition to this Directors authorised a sum of £500k to be placed in an investment fund, managed by Evelyn Investment Partners, in order to provide the opportunity for returns in excess of inflation over the medium term. These funds are held in a liquid portfolio, at the year end this investment was valued at a sum of £513k, see note 21 of the accompanying financial statements.

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.

Based on the outcome of the review the Directors have targeted a level of general reserves (that is those funds not assigned to designated reserves and restricted reserves) of the Hansel Group in order to cover one month's operating costs for Hansel Alliance and a range of between one and three-months operating costs for Hansel Foundation. The operating costs for this purpose are defined as excluding depreciation and internal group charges. This equates to a target range in monetary terms of between £1,009k and £1,274k. Actual free reserves of the group were £1,363k as at 31 March 2023 and therefore marginally exceed the upper range of the targeted level of general reserve at group level.

It is worth noting that due to a very challenging funding environment over the last few years for Hansel Alliance, the main operating company of the group, the year ending March 2023 being the most challenging, the Directors felt it necessary to increase the level of general reserve in Hansel Alliance and as made a parent company funding transfer of £400k in the year ended March 2023, see notes 11 and 7 of Hansel Foundation and Hansel Alliance accounts respectively.

Based on the most recent review of reserves and updated budgets prepared for 2023/24 including cash flow projections, the Directors consider that adequate resources are available to fund the activities of the charitable company for the foreseeable future and are of the view that Hansel Foundation is a going concern.

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

Pensions

Hansel Foundation operated two pension 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 the provision of competitive pension scheme options as part of its remuneration package.

The Directors are pleased to note that the final payment to the defined benefit scheme that Hansel exited in 2017 of £150k for Hansel Alliance and £250k for the Hansel Group was made in June 2023.

Plans for future periods and principal risks and uncertainties

As previously noted, Directors undertook a further review and refresh of Hansel Group (Foundation and Alliance) development objectives during the year. This updating of development objectives is designed to drive both service optimisation and development over the short to medium term.

Of particular note, the following specific objectives feature within the preliminary three year Strategic Road Map for the period 2023 to 2025;

Key Strategic Aims

Development of our market position;

- taking the lead in clearly defined areas,
- enabling our values and services to reach more people, and
- reconnecting with our community support roots.

Developing our service models;

- developing current and exploring new service models to meet changing needs, and
- developing current and forging new strategic and delivery partnerships.

Key relationships;

- valuing and developing our team members, and
- progressing customer engagement including meeting changing needs.

Organisational financial security;

- securing Hansel's financial stability and enabling growth,
- ensuring full cost recovery within operations through a shared understanding with funders and maximising opportunities for income generation.

Responding to changing environment;

- ensuring we meet the changing needs of people we support,
- defining the roles of volunteers beyond Covid-19,
- broadening our customer base, and
- delivering environmental and community benefits targeted through service commissioning.

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

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.

Reference and Administrative Details, Trustees and Advisers

Hansel Foundation is a registered charity (No. SC001514) and a company (No. SC38440) limited by membership guarantee.

Registered Office: - Murdoch House, Broadmeadows
Symington, Ayrshire, KA1 5PU

Contact: - Tel. No. : 01563 830340
Email : info@hansel.org.uk

Principal Professional Advisers

Bankers: - The Royal Bank of Scotland
30 Sandgate, Ayr
Ayrshire, KA7 1BY

Investment Managers: - Evelyn Partners
177 Bothwell Street
Glasgow, G2 7ER

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

Auditors: - Anderson Anderson & Brown Audit 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:

Dr. Robert M. Reekie	(Chair, from 3 August 2022)
Lisa C. Neilson	(Chair to date of resignation, 3 August 2022)
David G. Chalmers	(resigned 26 April 2023)
Stephen Croke	(appointed 27 April 2022)
Adam Currie	(deceased 9 July 2022)
Ruth Dorman	
Robert Dow	
Gerald D. Lindsay	(Chief Executive Officer)
Mairi L. Martin	(appointed 15 November 2022)
Coral I. McIntosh	(appointed 26 April 2023)
James W. McIntyre	

Key Management Personnel

Senior management of Hansel Foundation:

Gerry Lindsay	(Chief Executive Officer)
Roddy Wright	(Social Care Director)
Ali Mundell	(People and Development Director)
Neil Gallagher	(Finance and Operational Support Director)

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).

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

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 CEO 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.

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 CEO 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.

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

The sole executive Director is the CEO 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.

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. Once again this has unfortunately not been possible during the year under review due to pandemic restrictions. Ordinarily this form of engagement is considered an invaluable opportunity for open conversation with key stakeholders, and to identify issues of importance that may not otherwise be communicated through more formal reporting mechanisms.

During the year the staff consultation group bringing representation from all services and departments, Hansel Team Matters, provided important 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 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.

Hansel Foundation

Directors' Report for the year ended 31 March 2023 (cont'd)

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
- periodically 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.

This work had identified that financial sustainability continues to represent the most significant risk for the charity. Attention has also been focussed 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.

Hansel Foundation
Directors' Report for the year ended 31 March 2023 (cont'd)

Auditors

Anderson Anderson & Brown Audit 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

Dated: 27 September 2023

Opinion

We have audited the financial statements of Hansel Foundation Group and Charitable Company for the year ended 31 March 2023 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 2023 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 page 8, 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 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)

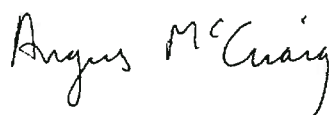
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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 Anderson Anderson & Brown Audit 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: 7 October 2023

Hansel Foundation Group Consolidated Income and Expenditure Account For the year ended 31 March 2023

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2023 £	Total 2022 £
INCOME					
Donations and legacies	3	-	132,692	132,692	70,605
Residential service funding	4	-	4,057,987	4,057,987	4,072,035
Domiciliary care & outreach service funding	4	-	6,511,607	6,511,607	5,874,820
Employability activities income	4	49,455	200,105	249,560	318,976
Property income	4	-	107,931	107,931	80,337
Other trading activities	5	-	104,536	104,536	98,783
Investment income	6	-	3,038	3,038	132
Gains on investments	21	-	12,562	12,562	-
Corporate services income		-	36,072	36,072	12,000
Other trust/grant funding	4	-	8,602	8,602	27,443
Covid-19 Government Funding	7	-	115,346	115,346	396,059
Total income		49,455	11,290,478	11,339,933	10,962,911
EXPENDITURE					
Raising funds	9	-	142,970	142,970	159,903
Charitable activities:					
• Direct costs		59,114	10,312,234	10,371,348	9,556,983
• Support costs		-	1,214,143	1,214,143	1,076,336
• Governance costs		-	61,984	61,984	67,319
• Bank Interest payable	8	-	280	280	128
Total expenditure		59,114	11,731,611	11,790,725	10,860,669
Net income/(expenditure) for year		(9,659)	(441,133)	(450,792)	102,242

Movements in the funds of the charitable group are as shown in the Consolidated Statement of Financial Activities on page 20.

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 2023

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Donations and legacies	3	-	132,692	132,692	70,605
Property income	4	-	155,531	155,531	126,947
Corporate services income	4	-	889,897	889,897	852,385
Service development funding	4	-	272,824	272,824	257,971
Other trust/grant funding	4	-	8,602	8,602	27,443
Fund-raising events income	5	-	11,449	11,449	24,527
Investment income	6	-	38,918	38,918	34,632
Gains on investments	21	-	12,562	12,562	-
Covid-19 Government Funding	7	-	26	26	4,812
Total income		-	1,522,501	1,522,501	1,399,322
EXPENDITURE					
Raising funds	9	-	122,151	122,151	127,723
Charitable activities:					
• Direct costs		-	1,290,653	1,290,653	1,139,746
• Support costs		-	115,274	115,274	97,481
• Governance costs		-	36,153	36,153	38,392
• Bank Interest payable	8	-	-	-	49
Other expenditure:					
• Subsidiary company funding	10	-	400,000	400,000	-
Total expenditure		-	1,964,231	1,964,231	1,403,391
Net expenditure for year		-	(441,730)	(441,730)	(4,069)

Movements in the funds of the charitable company are as shown on the Statement of Financial Activities on page 21.

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 2023

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from					
Donations and legacies	3	-	132,692	132,692	70,605
Charitable activities:	4				
Residential service funding		-	4,057,987	4,057,987	4,072,035
Domiciliary care & outreach service funding		-	6,511,607	6,511,607	5,874,820
Employability activities income		49,455	200,105	249,560	318,976
Property income		-	107,931	107,931	80,337
Corporate services income		-	36,072	36,072	12,000
Other trust/grant funding		-	8,602	8,602	27,443
Other trading activities	5	-	104,536	104,536	98,916
Investment income	6	-	3,038	3,038	132
Covid-19 Government Funding	7	-	115,346	115,346	407,780
Total income		<u>49,455</u>	<u>11,277,916</u>	<u>11,327,371</u>	<u>10,962,911</u>
Expenditure on					
Raising funds	9	-	142,970	142,970	159,903
Charitable activities:	11				
Residential service costs		5,642	4,103,372	4,109,014	4,002,806
Domiciliary care and outreach service costs		-	6,685,863	6,685,863	5,824,866
Employability activities costs		53,472	461,074	514,546	520,891
Property running costs		-	338,332	338,332	352,203
Total expenditure		<u>59,114</u>	<u>11,731,611</u>	<u>11,790,725</u>	<u>10,860,669</u>
Net income/(expenditure) before gains or losses		(9,659)	(453,695)	(463,354)	102,242
Gains on investments	21	-	12,562	12,562	-
Net income/(expenditure) after gains or losses		(9,659)	(441,133)	(450,792)	102,242
Reconciliation of funds					
Funds brought forward		49,973	4,594,584	4,644,557	4,542,315
Funds carried forward		<u>40,314</u>	<u>4,153,451</u>	<u>4,193,765</u>	<u>4,644,557</u>

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 2023**

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from					
Donations and legacies	3	-	132,692	132,692	70,605
Charitable activities:					
Property income	4	-	155,531	155,531	126,947
Corporate services income	4	-	889,897	889,897	852,385
Service development funding	4	-	272,824	272,824	257,971
Other trust/grant funding	4	-	8,602	8,602	27,443
Other trading activities	5	-	11,449	11,449	24,527
Investment income	6	-	38,918	38,918	34,632
Covid-19 Government Funding	7	-	26	26	4,812
Total income		-	1,509,939	1,509,939	1,399,322
Expenditure on					
Raising funds	9	-	122,151	122,151	127,723
Charitable activities:					
Property running costs	11	-	338,332	338,332	352,203
Group services support	11	-	1,103,748	1,103,748	923,465
Other expenditure:					
Subsidiary company funding	10	-	400,000	400,000	
Total expenditure		-	1,964,231	1,964,231	1,403,391
Net expenditure before gains or losses		-	(454,292)	(454,292)	(4,069)
Gain on investments	21	-	12,562	12,562	-
Net expenditure after gains or losses		-	(441,730)	(441,730)	(4,069)
Reconciliation of funds					
Funds brought forward		-	4,122,901	4,122,901	4,126,970
Total funds carried forward		-	3,681,171	3,681,171	4,122,901

The notes form part of these Accounts.

Hansel Foundation Group Consolidated Balance Sheet As at 31 March 2023


	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	20	<u>2,822,021</u>	<u>2,963,547</u>
Current assets			
Stock	22	9,397	9,045
Debtors	23	606,897	1,160,464
Cash at bank and in hand	21	1,322,055	1,644,060
Investment account		<u>512,562</u>	-
		2,450,911	2,813,569
Creditors: Amounts falling due within one year	24	<u>(1,079,167)</u>	<u>(1,132,559)</u>
Net current assets		<u>1,371,744</u>	<u>1,681,010</u>
Total assets less current liabilities		4,193,765	4,644,557
Creditors: Amounts falling due after more than one year	25	<u>-</u>	<u>-</u>
Net assets		<u>4,193,765</u>	<u>4,644,557</u>
Funds			
Unrestricted funds			
General funds	29a	1,363,623	1,648,120
Designated funds	29a	<u>2,789,828</u>	<u>2,946,464</u>
		4,153,451	4,594,584
Restricted funds	29b	<u>40,314</u>	<u>49,973</u>
		<u>4,193,765</u>	<u>4,644,557</u>

The Accounts on pages 18 to 42 were approved by the Board of Directors on 27 September 2023 and signed on their behalf by:



Dr. R.M. Reekie

Director



J. W. McIntyre

Director

The notes form part of these Accounts.

**Hansel Foundation Parent Company Balance Sheet
As at 31 March 2023**

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	20	<u>2,650,021</u>	<u>2,780,777</u>
Current assets			
Debtors	23	76,420	195,033
Cash at bank and in hand		1,007,847	1,350,136
Investment account	21	<u>512,562</u>	-
		1,596,829	1,545,169
Creditors: Amounts falling due within one year	24	<u>(565,679)</u>	<u>(203,045)</u>
Net current assets		1,031,150	1,342,124
Total assets less current liabilities		<u>3,681,171</u>	<u>4,122,901</u>
Creditors: Amounts falling due after more than one year	25	-	-
Net assets		<u>3,681,171</u>	<u>4,122,901</u>
Funds			
Unrestricted			
General funds	29a	1,031,150	1,342,124
Designated funds	29a	<u>2,650,021</u>	<u>2,780,777</u>
		3,681,171	4,122,901
Restricted funds	29b	-	-
		<u>3,681,171</u>	<u>4,122,901</u>

The Accounts on pages 18 to 42 were approved by the Board of Directors on 27 September 2023 and signed on their behalf by:



Dr. R.M. Reekie

Director



J. W. McIntyre

Director

The Notes on form part of these Accounts.

Hansel Foundation Group Consolidated Statement of Cash Flows For the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash from operating activities	30	<u>219,919</u>	<u>437,407</u>
Cash flows from investing activities			
Interest received		15,600	132
Interest paid		(280)	(1,357)
Payments to acquire tangible fixed assets		(47,702)	(143,161)
Proceeds on disposal of fixed assets		-	5,750
Purchase of investments		<u>(500,000)</u>	<u>-</u>
Cash (used in) investing activities		<u>(532,382)</u>	<u>(138,636)</u>
Cash flows from financing activities			
Repayment of pension scheme settlement		-	(250,000)
Hire purchase repayments		(9,542)	(35,815)
Repayment of bank borrowings		<u>-</u>	<u>(20,000)</u>
Cash used in financing activities		<u>(9,542)</u>	<u>(305,815)</u>
Net (decrease)/increase in cash and cash equivalent		(322,005)	(7,044)
Cash and cash equivalents at the beginning of the year		1,644,060	1,651,104
Cash and cash equivalents at the end of the year		<u>1,322,055</u>	<u>1,644,060</u>
Cash and bank balances		<u>1,322,055</u>	<u>1,644,060</u>

**Hansel Foundation Parent Company Statement of Cash Flows
For the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
Cash from operating activities	30	<u>134,315</u>	<u>196,830</u>
Cash flows from investing activities			
Interest received		51,480	34,632
Interest paid		-	(49)
Purchase of tangible fixed assets		(15,522)	(38,653)
Purchase of investments		<u>(500,000)</u>	<u>-</u>
Cash from investing activities		<u>(464,042)</u>	<u>(4,070)</u>
Cash flows for financing activities			
Repayment of pension scheme settlement		-	(100,000)
Repayments of bank borrowings		<u>-</u>	<u>(20,000)</u>
Cash used in financing activities		<u>-</u>	<u>(120,000)</u>
Net increase in cash and cash equivalents		(342,289)	72,760
Cash and cash equivalents at the beginning of the year		1,350,136	1,277,376
Cash and cash equivalents at the end of the year		<u>1,007,847</u>	<u>1,350,136</u>
Cash and bank balances		<u>1,007,847</u>	<u>1,350,136</u>

Hansel Foundation Group Notes to the Consolidated Accounts For the Year ended 31 March 2023

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 page 6. 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 2023

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, 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 11 and 12. 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 2023

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 27.

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 29b).

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

3. Donations and legacies

	2023		2022	
	Group £	Company £	Group £	Company £
Donations under £250	13,916	13,916	11,853	11,853
Trusts, donations and legacies over £250	118,776	118,776	58,752	58,752
	<u>132,692</u>	<u>132,692</u>	<u>70,605</u>	<u>70,605</u>

4. Charitable activities income

	2023		2022	
	Group £	Company £	Group £	Company £
Residential service funding	4,057,987	-	4,072,035	-
Domiciliary care and outreach service funding	6,511,607	-	5,874,820	-
Employability activities income	249,560	-	280,271	-
Property income	107,931	155,531	80,337	126,947
Corporate services income	36,072	889,897	12,000	852,385
Service development funding	-	272,824	-	257,971
Other grant/trust funding	8,602	8,602	27,443	27,443
	<u>8,602</u>	<u>8,602</u>	<u>27,443</u>	<u>27,443</u>

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

	2023		2022	
	Group £	Company £	Group £	Company £
Fundraising events	11,449	11,449	24,527	24,527
Tearoom, shop sales and laundry services	93,087	-	74,256	-
	<u>104,536</u>	<u>11,449</u>	<u>98,784</u>	<u>24,527</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

	2023		2022	
	Group £	Company £	Group £	Company £
Bank interest received	3,038	3,038	132	132
Interest received from subsidiary undertaking	-	35,880	-	34,500
	<u>3,038</u>	<u>38,918</u>	<u>132</u>	<u>34,632</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

7. Covid-19 Government Funding

	2023		2022	
	Group £	Company £	Group £	Company £
HMRC Job Retention Scheme	-	-	38,987	4,153
Other funding income	115,346	26	368,792	299
	<u>115,346</u>	<u>26</u>	<u>407,780</u>	<u>4,812</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

	2023		2022	
	Group £	Company £	Group £	Company £
Hire purchase interest	-	-	1,229	-
Bank interest payable	280	-	128	49
	<u>280</u>	<u>-</u>	<u>1,357</u>	<u>49</u>

9. Analysis of expenditure on raising funds

	2023		2022	
	Group £	Company £	Group £	Company £
Other costs : consumables for tearoom, shop sales, etc	20,819	-	32,180	-
Costs re fundraising event direct costs - staff	43,180	43,180	66,430	66,430
- other	75,732	75,732	56,311	56,311
Costs re fundraising event support	3,239	3,239	4,982	4,982
	<u>142,970</u>	<u>122,151</u>	<u>159,903</u>	<u>127,723</u>

10. Other Expenditure

	2023		2022	
	Group £	Company £	Group £	Company £
Funding to subsidiary company	-	400,000	-	-

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

11. Analysis of expenditure on Group charitable activities

	Direct Costs		Support costs and interest payable		Total 2023	Total 2022
	Staff costs	Other costs	Staff costs	Other costs		
	£	£	£	£	£	£
Direct charitable expenditure;						
Residential service costs	3,030,033	579,820	259,709	239,452	4,109,014	4,002,806
Domiciliary care and outreach service costs	5,733,640	294,246	408,114	249,863	6,685,863	5,824,866
Employability activities costs	486,628	(77,518)	74,203	31,233	514,546	520,891
Property running costs	-	324,779	-	13,553	338,332	352,203
	<u>9,250,301</u>	<u>1,121,327</u>	<u>742,026</u>	<u>534,101</u>	<u>11,647,755</u>	<u>10,700,766</u>
Totals 2022	8,482,394		627,363	516,419		10,700,766
		<u>1,074,590</u>				

£5,642 of depreciation costs in respect of residential service costs was restricted (2022: £4,523), and £53,472 of restricted fund income was utilised for the Bridging the Gap (Horticultural) Project (2022: £15,815).

No property running costs were met from restricted funds (2022: 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.

12. Analysis of expenditure on Parent company charitable activities

	Direct costs		Governance & Support		Total 2023	Total 2022
	Staff costs	Other costs	Staff costs	Other costs		
	£	£	£	£	£	£
Direct charitable expenditure:						
Property running costs	-	324,779	-	13,553	338,332	352,203
Group services support	637,406	328,468	104,620	33,254	1,103,748	923,465
	<u>637,406</u>	<u>653,247</u>	<u>104,620</u>	<u>46,807</u>	<u>1,442,080</u>	<u>1,275,668</u>
Totals 2022	538,323	601,423	89,040	46,882		1,275,668

No group service support costs were met from restricted funds (2022: 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 2023**

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

	Staff costs £	Other Costs £	Governance Costs £	2023 Total £	2022 Total £
Charitable activity:					
Residential service costs	259,709	230,411	9,041	499,161	449,739
Domiciliary care and outreach costs	408,114	235,656	14,207	657,977	591,492
Employability activities costs	74,203	28,650	2,583	105,436	86,485
Property running costs	-	(22,630)	36,153	13,553	16,066
	<u>742,026</u>	<u>472,117</u>	<u>61,984</u>	<u>1,276,127</u>	<u>1,143,782</u>
Totals 2022	<u>627,363</u>	<u>487,492</u>	<u>28,927</u>		<u>1,143,782</u>

Governance costs above include staff costs of £11,587 (2022: £12,372).

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

	Support Costs £	Other Costs £	Governance Costs £	2023 Total £	2022 Total £
Charitable activity:					
Property running costs	-	13,553	-	13,553	16,066
Group service support	104,620	(2,889)	36,153	137,884	119,858
	<u>104,620</u>	<u>10,664</u>	<u>36,153</u>	<u>151,437</u>	<u>135,923</u>
2022	<u>89,040</u>	<u>8,491</u>	<u>38,392</u>		<u>135,923</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:

	2023 £	2022 £
Auditors' remuneration (net of VAT)		
- audit	17,500	15,620
- other services	1,000	935
Operating lease rentals		
- other plant & equipment	14,649	15,287
Depreciation		
- owned assets	179,836	181,502
- assets on hire purchase contracts	9,392	19,023
Interest payable	280	1,357
(Gain)/loss on disposal of other fixed assets	-	(2,588)

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd) For the Year ended 31 March 2023

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

	2023		2022	
	Group £	Company £	Group £	Company £
Wages and salaries	8,890,084	610,960	8,152,300	536,940
Social security costs	786,110	84,112	665,730	73,502
Other pension costs	359,315	90,134	358,157	83,351
	<u>10,035,509</u>	<u>785,206</u>	<u>9,176,187</u>	<u>693,793</u>

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

	2023		2022	
	Group No.	Company No.	Group No.	Company No.
£60,001 to £70,000	1	1	1	1
£70,001 to £80,000	1	1	1	1
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	1	1	1	1

In 2023 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;

	2023		2022	
	Gross Salary £	Employer Pension £	Gross Salary £	Employer Pension £
Chief Executive Officer	<u>98,838</u>	<u>14,549</u>	<u>98,232</u>	<u>14,189</u>

During the financial year frontline care service staff received a pay increase of 7.78% in April 2022, taking the hourly rate above the Scottish Government's minimum adult social care rate. All non-frontline staff received a 2.5% increase in pay effective from September 2022. Further variances in remuneration between reporting periods may arise due to Executive 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 Executive Director in respect of reimbursement of expenses relative to their role as trustee in either 2023 or 2022. No other Non-Executive Director/trustee was in receipt of remuneration (2022: 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 £351,506 including pension costs and employer's National Insurance costs (2022: £307,713).

**Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023**

16. Staff numbers

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

	2023		2022	
	Group No.	Company No.	Group No.	Company No.
Residential care staff	107	-	112	-
Domiciliary/outreach staff	163	-	178	-
Employability activities staff	29	-	29	-
Support service staff including fundraising	25	24	24	23
	<u>324</u>	<u>24</u>	<u>343</u>	<u>23</u>

17. Comparatives for the Consolidated Statement of Financial Activities

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
Income and endowments from			
Donations and legacies	-	70,605	70,605
Charitable activities:			
Residential service funding	-	4,072,035	4,072,035
Domiciliary care & outreach service Funding	-	5,874,820	5,874,820
Employability activities income	38,705	280,271	318,976
Property income	-	80,337	80,337
Corporate services income	-	12,000	12,000
Other trust/grant funding	-	27,443	27,443
Other trading activities	-	98,783	98,783
Investment income	-	132	132
Covid-19 Government Funding	-	407,780	407,780
Total income	<u>38,705</u>	<u>10,924,206</u>	<u>10,962,911</u>
Expenditure on			
Raising funds	-	159,903	159,903
Charitable activities:			
Residential service costs	4,523	3,998,283	4,002,806
Domiciliary care and outreach service costs	-	5,824,866	5,824,866
Employability activities costs	15,815	505,076	520,891
Property running costs	-	352,203	352,203
Total expenditure	<u>20,338</u>	<u>10,840,331</u>	<u>10,860,669</u>
Net income	18,367	83,875	102,242
Reconciliation of funds			
Funds brought forward	31,606	4,510,709	4,542,315
Total funds carried forward	<u>49,973</u>	<u>4,594,584</u>	<u>4,644,557</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

18. Comparatives for the Parent Company Statement of Financial Activities

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
Income and endowments from			
Donations and legacies	-	70,605	70,605
Charitable activities:			
Property income	-	126,947	126,947
Corporate services income	-	852,385	852,385
Service development funding	-	257,971	257,971
Other trust/grant funding	-	27,443	27,443
Other trading activities	-	24,527	24,527
Investment income	-	34,632	34,632
Covid-19 Government Funding	-	4,812	4,812
Total income	-	1,399,322	1,399,322
Expenditure on			
Raising funds	-	127,723	127,723
Charitable activities:			
Property running costs	-	352,203	352,203
Group services support	-	923,465	923,465
Total expenditure	-	1,403,391	1,403,391
Net income	-	(4,069)	(4,069)
Reconciliation of funds			
Funds brought forward	-	4,126,970	4,126,970
Total funds carried forward	-	4,122,901	4,122,901

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 2023

20. Tangible fixed assets

Group	Heritable Property £	Plant & Equipment £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2022	7,210,556	495,282	105,994	207,318	8,019,150
Additions in year	7,056	15,094	25,552	-	47,702
Disposals in year	-	-	-	-	-
At 31 March 2023	<u>7,217,612</u>	<u>510,376</u>	<u>131,546</u>	<u>207,318</u>	<u>8,066,852</u>
Depreciation					
At 1 April 2022	4,465,085	359,554	83,079	147,885	5,055,603
Charge for year	137,486	32,038	4,846	14,858	189,228
Eliminated on disposals	-	-	-	-	-
At 31 March 2023	<u>4,602,571</u>	<u>391,592</u>	<u>87,925</u>	<u>162,743</u>	<u>5,244,831</u>
Net book value					
At 31 March 2023	<u>2,615,041</u>	<u>118,784</u>	<u>43,621</u>	<u>44,575</u>	<u>2,822,021</u>
At 31 March 2022	<u>2,745,471</u>	<u>135,728</u>	<u>22,915</u>	<u>59,433</u>	<u>2,963,547</u>

The net book value of fixed assets includes £29,862 (2022: £39,817) in respect of assets acquired under hire purchase contracts.

Company	Heritable Property £	Plant & Equipment £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2022	7,210,556	94,911	3,761	9,995	7,319,223
Additions in year	7,056	8,466	-	-	15,522
Disposals in year	-	-	-	-	-
At 31 March 2023	<u>7,217,612</u>	<u>103,377</u>	<u>3,761</u>	<u>9,995</u>	<u>7,334,745</u>
Depreciation					
At 1 April 2022	4,465,085	62,799	2,938	7,624	4,538,446
Charge for year	137,486	8,117	82	593	146,278
Eliminated on disposals	-	-	-	-	-
At 31 March 2023	<u>4,602,571</u>	<u>70,916</u>	<u>3,020</u>	<u>8,217</u>	<u>4,684,724</u>
Net book value					
At 31 March 2023	<u>2,615,041</u>	<u>32,461</u>	<u>741</u>	<u>1,778</u>	<u>2,650,021</u>
At 31 March 2022	<u>2,745,471</u>	<u>32,112</u>	<u>823</u>	<u>2,371</u>	<u>2,780,777</u>

The depreciation charge for property would have been £291,410 if individual heritable property had not been subject to re-assessment of residual value and estimated useful life.

21. Investment Account

	2023 £	2022 £
Balance brought forward	-	-
Additions in year	500,000	-
Unrealised gains	12,562	-
Balance carried forward	<u>512,562</u>	<u>-</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

22. Stock

	2023		2022	
	Group £	Company £	Group £	Company £
Raw materials	7,959	-	7,559	-
Finished goods	1,438	-	1,486	-
	<u>9,397</u>	<u>-</u>	<u>9,045</u>	<u>-</u>

23. Debtors

	2023		2022	
	Group £	Company £	Group £	Company £
Balance due from subsidiary undertaking	-	-	-	125,907
Trade debtors	408,761	9,573	820,346	-
Other debtors	66,847	66,847	69,936	69,936
Prepayments and accrued income	131,289	-	270,182	-
	<u>606,897</u>	<u>76,420</u>	<u>1,160,464</u>	<u>195,033</u>

24. Creditors: Amounts falling due within one year

	2023		2022	
	Group £	Company £	Group £	Company £
Trade creditors	62,132	10,488	52,508	-
Taxation and social security costs	157,941	23,881	155,028	20,545
Accruals	608,879	81,151	665,266	82,500
HP purchase creditor	215	-	9,757	-
Balance due to subsidiary company	-	350,159	-	-
Pension scheme settlement (see note 26)	250,000	100,000	250,000	100,000
	<u>1,079,167</u>	<u>565,679</u>	<u>1,132,559</u>	<u>203,045</u>

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

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

	2023		2022	
	Group £	Company £	Group £	Company £
HP creditor	-	-	-	-
Pension scheme settlement (see note 27)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Analysis of total Group repayments:-

	2023 £	2022 £
Amounts repayable by installments due:		
within one year	250,215	259,757
between one and two years	-	-
between two and five years	-	-
	<u>250,215</u>	<u>259,757</u>
Included in creditors: amounts falling due within one year	<u>(250,215)</u>	<u>(259,757)</u>
	<u>-</u>	<u>-</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd) For the Year ended 31 March 2023

26. 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:	2023		2022	
	Group £	Company £	Group £	Company £
Within one year	13,424	12,164	13,424	12,164
Later than one year but within five years	38,952	36,491	52,376	48,655
	<u>52,376</u>	<u>48,655</u>	<u>65,800</u>	<u>60,819</u>

27. 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 24 and 25).

Contributions to the schemes during the year were as follows:	31 March 2023		31 March 2022	
	Group £	Company £	Group £	Company £
Defined contribution schemes	<u>360,254</u>	<u>90,135</u>	<u>359,248</u>	<u>83,351</u>

28. Analysis of net assets between funds

Group	Tangible fixed assets £	Net Current assets £	Liabilities > 1 year £	Total 2023	Total 2022
				£	£
Unrestricted Funds	2,781,707	1,371,744	-	4,153,451	4,594,584
Restricted Funds	40,314	-	-	40,314	49,973
	<u>2,822,021</u>	<u>1,371,744</u>	<u>-</u>	<u>4,193,765</u>	<u>4,644,557</u>
Company					
Unrestricted Funds	2,650,021	1,031,150	-	3,681,171	4,122,901
Restricted Funds	-	-	-	-	-
	<u>2,650,021</u>	<u>1,031,150</u>	<u>-</u>	<u>3,681,171</u>	<u>4,122,901</u>

Comparatives for analysis of net assets between funds

Group	Tangible fixed assets £	Net Current assets £	Liabilities > 1 year £	Total 2022
				£
Unrestricted Funds	2,913,574	1,681,010	-	4,594,584
Restricted Funds	49,973	-	-	49,973
	<u>2,963,547</u>	<u>1,681,010</u>	<u>-</u>	<u>4,644,557</u>
Company				
Unrestricted Funds	2,780,777	1,342,124	-	4,122,901
Restricted Funds	-	-	-	-
	<u>2,780,777</u>	<u>1,342,124</u>	<u>-</u>	<u>4,122,901</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

29. Analysis of charitable funds

(a) Unrestricted funds

Group	Balance at 1 April 2022 £	Income £	Expended £	Transfers £	Balance at 31 March 2023 £
Designated funds:					
Tangible fixed assets fund	2,946,464	-	-	(156,636)	2,789,828
	<u>2,946,464</u>	<u>-</u>	<u>-</u>	<u>(156,636)</u>	<u>2,789,828</u>
General reserve	1,648,120	11,290,478	(11,731,611)	156,636	1,363,623
	<u>4,594,584</u>	<u>11,290,478</u>	<u>(11,731,611)</u>	<u>-</u>	<u>4,153,451</u>

Transfers represented by;

Disposal of assets	-
Asset additions in year	47,702
Restricted funds adjustment	(15,110)
Less depreciation	(189,228)
	<u>(156,636)</u>

Company	Balance at 1 April 2022 £	Income £	Expended £	Transfers £	Balance at 31 March 2023 £
Designated funds:					
Tangible fixed assets fund	2,780,777	-	-	(130,756)	2,650,021
	<u>2,780,777</u>	<u>-</u>	<u>-</u>	<u>(130,756)</u>	<u>2,650,021</u>
General reserve	1,342,124	1,522,501	(1,964,231)	130,756	1,030,150
	<u>4,122,901</u>	<u>1,522,501</u>	<u>(1,964,231)</u>	<u>-</u>	<u>3,681,171</u>

Transfers represented by;

Loss on disposal of assets	-
Asset additions in year	15,522
Less depreciation	(146,278)
	<u>(130,756)</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 2023

29. Analysis of charitable funds (cont'd)

(b) Restricted funds	Balance at 1 April 2022 £	Income £	Expenditure and Transfers £	Balance at 31 March 2023 £
Group total	-	-	-	-
Storage, racking & shelving	58	-	(6)	52
Market gardens equipment	7	-	(2)	5
Equipment for residential unit	2,223	-	(445)	1,778
Vehicles for residential unit	401	-	(100)	301
Vehicle for respite services	278	-	(70)	208
Vehicle for residential unit	2,420	-	(605)	1,815
Commercial washing machine	4,096	-	(819)	3,277
Horticultural project	32,890	28,705	(53,472)	8,123
Commercial washing machine	7,600	-	(1,520)	6,080
Shawburn kitchen	-	20,750	(2,075)	18,675
Group total	49,973	49,455	(59,114)	40,314
Represented by :				
Cash at bank	32,890			8,123
Fixed assets	17,083			32,191
	<u>49,973</u>			<u>40,314</u>

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 2021 £	Income £	Expended £	Transfers £	Balance at 31 March 2022 £
Designated funds:					
Tangible fixed assets fund	2,992,465	-	-	(46,001)	2,946,464
	<u>2,992,465</u>	-	-	<u>(46,001)</u>	<u>2,946,464</u>
General reserve	1,518,244	10,924,206	(10,840,331)	46,001	1,648,120
	<u>4,510,709</u>	<u>10,924,206</u>	<u>(10,840,331)</u>	<u>-</u>	<u>4,594,584</u>

Transfers represented by;

Disposal of assets	(3,162)
Asset additions in year	143,161
Restricted funds adjustment	14,525
Less depreciation	<u>(200,525)</u>
	<u>(46,001)</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

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

Company	Balance at 1 April 2021 £	Income £	Expended £	Transfers £	Balance at 31 March 2022 £
Designated funds:					
Tangible fixed assets fund	2,894,629	-	-	(113,852)	2,780,777
	<u>2,894,629</u>	<u>-</u>	<u>-</u>	<u>(113,852)</u>	<u>2,780,777</u>
General reserve	1,232,341	1,399,322	(1,403,391)	113,852	1,342,124
	<u>4,126,970</u>	<u>1,399,322</u>	<u>(1,403,391)</u>	<u>-</u>	<u>4,122,901</u>

Transfers represented by;

Loss on disposal of assets	-
Asset additions in year	38,653
Less depreciation	(152,505)
	<u>(113,852)</u>

(b) <i>Restricted funds</i>	Balance at 1 April 2021 £	Income £	Expenditure and Transfers £	Balance at 31 March 2022 £
Group total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Storage, racking & shelving	65	-	(7)	58
Market gardens	10	-	(3)	7
Equipment for residential unit	2,779	-	(556)	2,223
Vehicles for residential unit	535	-	(134)	401
Vehicle for respite services	370	-	(92)	278
Vehicle for residential unit	3,227	-	(807)	2,420
Commercial washing machine	5,120	-	(1,024)	4,096
Horticultural project	10,000	38,705	(15,815)	32,890
Commercial washing machine	9,500	-	(1,900)	7,600
Group total	<u>31,606</u>	<u>38,705</u>	<u>(20,338)</u>	<u>49,973</u>
Represented by :				
Cash at bank	19,500			32,890
Fixed assets	<u>12,106</u>			<u>17,083</u>
	<u>31,606</u>			<u>49,973</u>

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2023

30. Note to the statement of cash flows

Group

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

	2023	2022
	£	£
Net movement in funds (as per the statement of financial activities)	(450,792)	102,242
Adjustment for items not regarded as operating activities for cash flow statement:		
Deduct interest income shown in investing activities	(15,600)	(132)
Add back interest expenditure shown in investing activities	280	1,357
Add back depreciation	189,228	200,525
(Gain)/loss on disposal of other fixed assets	-	(2,588)
(Increase)/decrease in stock	(352)	12,508
(Decrease)/increase in debtors	553,568	160,954
Increase/(decrease) in creditors	(43,851)	(37,459)
Gain on investments	(12,562)	
Net cash from operating activities,	<u>219,919</u>	<u>437,407</u>

Company

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

	2023	2022
	£	£
Net movement in funds (as per the statement of financial activities)	(441,730)	(4,069)
Adjustment for items not regarded as operating activities for cash flow statement:		
Deduct interest income shown in investing activities	(51,480)	(34,632)
Add back interest expenditure shown in investing activities	-	49
Add back depreciation	146,278	152,505
Decrease in debtors	118,613	37,867
Increase in creditors	362,634	45,110
Gain on investments	(12,562)	
Net cash from operating activities	<u>121,753</u>	<u>196,830</u>

31. 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 2022).

Hansel Foundation has provided cross guarantee arrangements in respect of its subsidiary company, Hansel Alliance. As at 31 March 2023 Hansel Alliance had no bank borrowings (2022: £Nil).

32. 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 2023, with the exception of matters addressed at note 15.