



Hansel Foundation

Group Annual Report & Accounts

**For The Year Ended
31 March 2025**

Scottish Charity NO: SC001514

Company Limited by Guarantee No: SC038440

Hansel Foundation

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For the year ended 31 March 2025

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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 2025 (cont'd)

The Directors have pleasure in presenting the annual report together with the audited group accounts for the year ended 31 March 2025 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

Hansel Group consists of two companies, the main operating company for the delivery of services is Hansel Alliance, the parent of which is Hansel Foundation which incurs costs for the support of the services and recovers the relevant elements from Hansel Alliance as well as generating income directly mainly through rental income, fundraising and investment activities.

Hansel Alliance Report:

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, but it also plays a significant part in determining the level of funding we receive from our key Health and Social Care Partnership funders. Nonetheless, and in large part thanks to actions taken by Hansel in order to mitigate the continued impact of funding within the sector, the overall financial performance show an improvement versus the prior year (23/24) Hansel Alliance producing an overall surplus of £174k in the year 24/25, compared with a prior year surplus of £60k.

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

Hansel Foundation

Directors' Report for the year ended 31 March 2025 (cont'd)

begin planning a number of important initiatives, more detail of which is provided within the 'plans for future periods' section.

Over the course of the reporting period Hansel Alliance maintained service provision as described below:

Residential services – Although occupancy levels generally remained on or near target across our registered residential service accommodation, we continued to face challenges in terms of some short-term reductions in occupancy and a longer-term reduction in capacity of our Shawburn facility, reducing from 9 residents to 8 due to operational constraints, this 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.

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 continued to reduce in the year, in part due 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. Occupancy levels are also impacted by funding allocations of the Health and Social Care Partnerships. 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.

The Connect lifestyle service. As one of the financial mitigating factors Hansel took the decision that, due to ongoing drop in demand, it could no longer safely manage the requisite level of care with the funding available and sadly concluded that as a result Hansel would withdraw from the provision of this service at the end of July 2024. In doing so Hansel worked in harmony with South Ayrshire Health and Social Care Partnership (SAHSCP) in order to ensure an orderly transition of this service to a new provider and at the same time ensuring a continued high standard of care for the people we support and their families.

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. Hansel successfully managed the integration of the new contract awarded by SAHSCP for the provision of a supported living core and cluster service in the centre of Ayr where we support 14 individuals.

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 experienced an increase in activity levels during the year. Similarly, Hansel Laundry services gradually increased service volumes over the course of the year. Hansel worked in conjunction with the DWP during the assessment of the Access to Work programme and received very positive feedback for the work and support we provide for our supported employees, resulting in increased funding in some areas. Hansel provides supported employee placements across all three social enterprises, including the grounds maintenance team. The DWP funding remains a crucial source of income in order to maintain the viability of Hansel Alliance's small business operations. In total Hansel provides employment opportunities for 15 supported employees.

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Directors' Report for the year ended 31 March 2025 (cont'd)

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.

Hansel Foundation Report:

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. Hansel Foundation reported a deficit of (£78k) in the year under review. This contrasts with a small surplus of £2k for the year 23/24, the main contributor to the year on year change being the receipt of a sizable legacy in the year 23/24.

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

Financial Overview

The Statement of Financial Activities relating to Hansel Foundation on page 20 shows that gross income reduced by 1.1% to £1,607k, whilst total expenditure increased by 3.2% to £1,699k. Of the reduction in income of £18k in total, £47k was driven by a reduction in Donations and Legacy income reflecting the benefit of a large legacy in the year 23/24. The increases in cost is attributed to normal inflationary pressures.

The Consolidated Statement of Financial Activities on page 19 shows that gross income increased by 4.3% to £12,393k, whilst total expenditure increased by 4.0% to £12,311k. The group reports an overall surplus of £98k, including a gain on investment in the year of £16k. This compares to an overall group surplus in the previous year of £62k. Whilst it is encouraging to have had two years of small surpluses, against a backdrop of a large deficit in the year 22/23 at group level it is not sufficient to sustain the service we provide over the medium term and should not detract from the significant challenges faced by Hansel and the wider sector.

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 12 to the Accounts, on page 30.

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, in previous years, a sum of £600k 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 £656k, see note 22 of the accompanying financial statements.

Reserves Policy and Going Concern

A review of the level of reserves considered appropriate and necessary to pursue stated aims and objectives is undertaken annually, by both Hansel Alliance and parent charitable entity Hansel Foundation. 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 general group charges. This equates to a target range in monetary terms of between £1,042k and £1,305k. Actual free reserves of the group were £1,778k as at 31 March 2025 and therefore safely exceed the upper range of the targeted level of general reserve at group level. At the level of the group subsidiary, Hansel Alliance, one month's operating costs equates to £910k, this compares to a level of general reserve held as at 31 March 2025 of £572k. This gap of (£338k) versus the target level is not a concern given that overall group position is above the target range and the parent company, Hansel Foundation, will continue to fund Hansel Alliance as it considers necessary.

The budgets for 2025/26 have been prepared and reflect the significant detrimental impact of the increase in Employer's National Insurance contributions which came into effect from April 2025. The financial impact to Hansel Group is a detriment of circa £300k which is unfunded. Based on the most recent review of reserves, updated budgets, contingency planning and cash flow projections and other relevant factors 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 remains a going concern.

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 A defined contribution auto-enrolment scheme operated by The People's Pension for all other eligible employees.

The charity remains committed to the provision of competitive pension scheme options as part of its remuneration package.

Hansel Foundation

Directors' Report for the year ended 31 March 2025 (cont'd)

Plans for future periods and principal risks and uncertainties

Directors formally review risks via a periodic review of the risk register. The risk register now reflects the significant detrimental impact of the increase in Employer's National Insurance contributions which came into effect from April 2025. The financial impact to Hansel Group is a detriment of circa £300k which is unfunded. Directors and the executive team continue to make representations to the relevant bodies in order to secure increased funding in order to offset what we and the sector consider to be an unjust burden to bear. The impact of the increase in Employer's National Insurance contributions also necessitates an on-going review of the organisational strategy

Directors review and refresh Hansel Alliance's 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. The detail of the specific objectives for the main operating company, Hansel Alliance, are included within the appropriate section of its annual report and accounts.

Governance

Hansel recognises the impact of high-functioning Boards in providing both strategic control and effective oversight, including stewardship of the charity's purpose, effective leadership and decision-making, diversity, openness and accountability. In view of these aims, and to channel resources most effectively into the delivery of the wider strategy, over the duration of this strategic plan Hansel's Board of Directors will continually review and where appropriate further develop and streamline governance processes.

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

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Directors' Report for the year ended 31 March 2025 (cont'd)

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

Auditors: - AAB Audit & Accountancy Limited
Chartered Accountants
133 Finnieston Street
Glasgow, G3 8HB

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Directors' Report for the year ended 31 March 2025 (cont'd)

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 |
| Ruth Dorman | Vice-Chair |
| Stephen Croke | |
| Catherine Lawson | (appointed 26/06/24) |
| Gerald D. Lindsay | Chief Executive Officer |
| Coral I. McIntosh | |
| James W. McIntyre | |
| Suzanne Reid | (resigned 03/04/25) |
| Colin Young | (appointed 25/06/25) |

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).

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Directors' Report for the year ended 31 March 2025 (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 CEO 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.

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 CEO relates to his management role within the organisation and is as shown at note 17 of the Notes to the Accounts.

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

Hansel Foundation

Directors' Report for the year ended 31 March 2025 (cont'd)

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.

During the year, Hansel Team Matters the formally constituted consultation group with representation from across services and departments, continued to provide an effective platform for engagement, consultation, and information sharing on all manner of relevant organisational issues. 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 offer opportunities for representatives and team members to have more contact with Board Members through the People, Policy and Remuneration Committee.

Ongoing investment in further development of the HR portal is supporting improved engagement, availability of real time people management information and quality reporting to better inform decision making. The investment in the learning & development provision is delivering an improved team member experience, supporting compliance and quality service delivery as well as management development.

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.

Hansel Foundation

Directors' Report for the year ended 31 March 2025 (cont'd)

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.

Auditors

AAB Audit & Accountancy Limited 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: 1 October 2025

Opinion

We have audited the financial statements of Hansel Foundation Group and Charitable Company for the year ended 31 March 2025 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 2025 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

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 7 and 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

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

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

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.

AAB Audit & Accountancy Limited

Angus McCuaig (Senior Statutory Auditor)
for and on behalf of AAB Audit & Accountancy Limited
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
133 Finnieston Street
Glasgow
G3 8HB

Date: 8 October 2025

Hansel Foundation Group Consolidated Income and Expenditure Account For the year ended 31 March 2025

| | Notes | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2025 £ | Total Funds 2024 £ |
|---|-------|-----------------------|-------------------------|--------------------------|--------------------------|
| INCOME | | | | | |
| Donations and legacies | 4 | - | 131,365 | 131,365 | 178,780 |
| Residential service funding | 5 | - | 4,869,141 | 4,869,141 | 4,562,659 |
| Domiciliary care & outreach service funding | 5 | - | 6,799,271 | 6,799,271 | 6,561,273 |
| Employability activities income | 5 | 52,000 | 231,804 | 283,804 | 292,513 |
| Property income | 5 | - | 111,776 | 111,776 | 114,476 |
| Other trading activities | 6 | - | 161,150 | 161,150 | 131,126 |
| Investment income | 7 | - | 10,124 | 10,124 | 12,132 |
| Gains on investments | 22 | - | 15,862 | 15,862 | 23,218 |
| Corporate services income | 5 | - | 27,088 | 27,088 | 24,099 |
| Other trust/grant funding | 5 | - | - | - | - |
| Covid-19 Government Funding | 8 | - | - | - | - |
| Total income | | <u>52,000</u> | <u>12,357,581</u> | <u>12,409,581</u> | <u>11,900,276</u> |
| EXPENDITURE | | | | | |
| Raising funds | 10 | - | 112,072 | 112,072 | 120,815 |
| Charitable activities: | 12 | | | | |
| • Direct costs | | 55,905 | 10,681,922 | 10,737,827 | 10,346,982 |
| • Support costs | | - | 1,385,169 | 1,385,169 | 1,293,301 |
| • Governance costs | | - | 76,693 | 76,693 | 76,981 |
| • Bank Interest payable | 9 | - | - | - | - |
| Total expenditure | | <u>55,905</u> | <u>12,255,856</u> | <u>12,311,761</u> | <u>11,838,079</u> |
| Net income/(expenditure) for year | | <u>(3,905)</u> | <u>101,725</u> | <u>97,820</u> | <u>62,197</u> |

Movements in the funds of the charitable group are as shown in the Consolidated Statement of Financial Activities on page 19.

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 2025

| | Notes | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2025 £ | Total Funds 2024 £ |
|---------------------------------|-------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| INCOME | | | | | |
| Donations and legacies | 4 | - | 131,365 | 131,365 | 178,780 |
| Property income | 5 | - | 147,677 | 147,677 | 162,691 |
| Corporate services/development | 5 | - | 1,262,788 | 1,262,788 | 1,221,948 |
| Other trust/grant funding | 5 | - | - | - | - |
| Fund-raising events income | 6 | - | 14,610 | 14,610 | 10,658 |
| Investment income | 7 | - | 50,424 | 50,424 | 50,882 |
| Gains on investments | 22 | - | 15,862 | 15,862 | 23,218 |
| Covid-19 Government Funding | 8 | - | - | - | - |
| Total income | | <u>-</u> | <u>1,622,726</u> | <u>1,622,726</u> | <u>1,648,177</u> |
| EXPENDITURE | | | | | |
| Raising funds | 10 | - | 86,715 | 86,715 | 92,145 |
| Charitable activities: | 13 | | | | |
| • Direct costs | | - | 1,447,014 | 1,447,014 | 1,393,151 |
| • Support costs | | - | 124,184 | 124,184 | 121,608 |
| • Governance costs | | - | 41,199 | 41,199 | 39,271 |
| Other expenditure: | | | | | |
| • Subsidiary company funding | 11 | - | - | - | - |
| Total expenditure | | <u>-</u> | <u>1,699,112</u> | <u>1,699,112</u> | <u>1,646,175</u> |
| Net expenditure for year | | <u>-</u> | <u>(76,386)</u> | <u>(76,386)</u> | <u>2,002</u> |

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

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 2025

| | Notes | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2025 £ | Total Funds 2024 £ |
|--|-------|-----------------------|-------------------------|--------------------------|--------------------------|
| Income and endowments from | | | | | |
| Donations and legacies | 4 | - | 131,365 | 131,365 | 178,780 |
| Charitable activities: | 5 | | | | |
| Residential service funding | | - | 4,869,141 | 4,869,141 | 4,562,659 |
| Domiciliary care & outreach service funding | | - | 6,799,271 | 6,799,271 | 6,561,273 |
| Employability activities income | | 52,000 | 231,804 | 283,804 | 292,513 |
| Property income | | - | 111,776 | 111,776 | 114,476 |
| Corporate services income | | - | 27,088 | 27,088 | 24,099 |
| Other trust/grant funding | | - | - | - | - |
| Other trading activities | 6 | - | 161,150 | 161,150 | 131,126 |
| Investment income | 7 | - | 10,124 | 10,124 | 12,132 |
| Covid-19 Government Funding | 8 | - | - | - | - |
| Total income | | 52,000 | 12,341,719 | 12,393,719 | 11,877,058 |
| Expenditure on | | | | | |
| Raising funds | 10 | - | 112,072 | 112,072 | 120,815 |
| Charitable activities: | 12 | | | | |
| Residential service costs | | 3,905 | 4,540,458 | 4,544,363 | 4,154,381 |
| Domiciliary care and outreach service costs | | - | 6,760,557 | 6,760,557 | 6,693,525 |
| Employability activities costs | | 52,000 | 487,263 | 539,263 | 471,464 |
| Property running costs | | - | 355,506 | 355,506 | 397,894 |
| Total expenditure | | 55,905 | 12,255,856 | 12,311,761 | 11,838,079 |
| Net income/(expenditure) before gains or losses | | (3,905) | 85,863 | 81,958 | 38,979 |
| Gains on investments | 22 | - | 15,862 | 15,862 | 23,218 |
| Net income/(expenditure) after gains or losses | | (3,905) | 101,725 | 97,820 | 62,197 |
| Reconciliation of funds | | | | | |
| Funds brought forward | | 40,007 | 4,215,955 | 4,255,962 | 4,193,765 |
| Funds carried forward | | 36,102 | 4,317,680 | 4,353,782 | 4,255,962 |

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 2025

| | Notes | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2025 £ | Total Funds 2024 £ |
|---|-------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Income and endowments from | | | | | |
| Donations and legacies | 4 | - | 131,365 | 131,365 | 178,780 |
| Charitable activities: | | | | | |
| Property income | 5 | - | 147,677 | 147,677 | 162,691 |
| Corporate services/development | 5 | - | 1,262,788 | 1,262,788 | 1,221,948 |
| Other trust/grant funding | 5 | - | - | - | - |
| Other trading activities | 6 | - | 14,610 | 14,610 | 10,658 |
| Investment income | 7 | - | 50,424 | 50,424 | 50,882 |
| Covid-19 Government Funding | 8 | - | - | - | - |
| Total income | | - | 1,606,864 | 1,606,864 | 1,624,959 |
| Expenditure on | | | | | |
| Raising funds | 10 | - | 86,715 | 86,715 | 92,145 |
| Charitable activities: | | | | | |
| Property running costs | 13 | - | 355,506 | 355,506 | 397,894 |
| Group services support | 13 | - | 1,256,891 | 1,256,891 | 1,156,136 |
| Other expenditure: | | | | | |
| Subsidiary company funding | 11 | - | - | - | - |
| Total expenditure | | - | 1,699,112 | 1,699,112 | 1,646,175 |
| Net expenditure before gains or losses | | - | (92,248) | (92,248) | (21,216) |
| Gain on investments | 22 | - | 15,862 | 15,862 | 23,218 |
| Net expenditure after gains or losses | | - | (76,386) | (76,386) | 2,002 |
| Reconciliation of funds | | | | | |
| Funds brought forward | | - | 3,683,173 | 3,683,173 | 3,681,171 |
| Total funds carried forward | | - | 3,606,787 | 3,606,787 | 3,683,173 |

The notes form part of these Accounts.

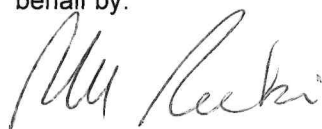
Hansel Foundation Group Consolidated Balance Sheet
Company No.: SC038440
As at 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|---|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 21 | <u>2,562,663</u> | <u>2,675,348</u> |
| Current assets | | | |
| Stock | 23 | 11,122 | 9,428 |
| Debtors | 24 | 1,280,200 | 1,390,179 |
| Cash at bank and in hand | | 899,619 | 651,620 |
| Investment account | 22 | <u>656,534</u> | <u>639,250</u> |
| | | <u>2,847,475</u> | <u>2,690,477</u> |
| Creditors: Amounts falling due within one year | 25 | <u>(1,056,356)</u> | <u>(1,109,863)</u> |
| Net current assets | | <u>1,791,119</u> | <u>1,580,614</u> |
| Total assets less current liabilities | | <u>4,353,782</u> | <u>4,255,962</u> |
| Net assets | | <u>4,353,782</u> | <u>4,255,962</u> |
| Funds | | | |
| Unrestricted funds | | | |
| General funds | 29a | 1,778,621 | 1,568,114 |
| Designated funds | 29a | <u>2,539,059</u> | <u>2,647,841</u> |
| | | <u>4,317,680</u> | <u>4,215,955</u> |
| Restricted funds | 29b | <u>36,102</u> | <u>40,007</u> |
| | | <u>4,353,782</u> | <u>4,255,962</u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The Accounts on pages 18 to 42 were approved by the Board of Directors on 1 October 2025 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
Company No.: SC038440
As at 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|---|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 21 | <u>2,400,123</u> | <u>2,517,569</u> |
| Current assets | | | |
| Debtors | 24 | 253,824 | 300,913 |
| Cash at bank and in hand | | 513,523 | 434,595 |
| Investment account | 22 | <u>656,534</u> | <u>639,250</u> |
| | | 1,423,881 | 1,374,758 |
| Creditors: Amounts falling due within one year | 25 | <u>(217,217)</u> | <u>(209,154)</u> |
| Net current assets | | 1,206,664 | 1,165,604 |
| Total assets less current liabilities | | <u>3,606,787</u> | <u>3,683,173</u> |
| Net assets | | <u>3,606,787</u> | <u>3,683,173</u> |
| Funds | | | |
| Unrestricted | | | |
| General funds | 29a | 1,206,664 | 1,165,604 |
| Designated funds | 29a | <u>2,400,123</u> | <u>2,517,569</u> |
| | | 3,606,787 | 3,683,173 |
| Restricted funds | 29b | <u>-</u> | <u>-</u> |
| | | <u>3,606,787</u> | <u>3,683,173</u> |

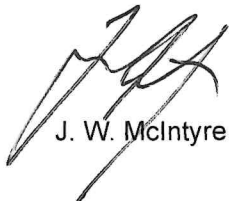
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The Accounts on pages 18 to 42 were approved by the Board of Directors on 1 October 2025 and signed on their behalf by:


Dr. R.M. Reekie

Director


J. W. McIntyre

Director

The notes form part of these Accounts.

Hansel Foundation Group Consolidated Statement of Cash Flows
For the Year Ended 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|--|-------|-----------------|------------------|
| Cash from operating activities | 30 | <u>293,463</u> | <u>(539,219)</u> |
| Cash flows from investing activities | | | |
| Interest received | | 10,124 | 12,132 |
| Interest paid | | - | - |
| Purchase of tangible fixed assets | | (58,066) | (31,509) |
| Purchase of investments | | (611,590) | (360,276) |
| Proceeds on disposal of investments | | <u>614,068</u> | <u>248,652</u> |
| Cash (used in) investing activities | | <u>(45,464)</u> | <u>(131,001)</u> |
| Cash flows from financing activities | | | |
| Repayment of pension scheme settlement | | - | - |
| Hire purchase repayments | | - | (215) |
| Repayment of bank borrowings | | <u>-</u> | <u>-</u> |
| Cash used in financing activities | | <u>-</u> | <u>(215)</u> |
| Net (decrease)/increase in cash and cash equivalent | | 247,999 | (670,435) |
| Cash and cash equivalents at the beginning of the year | | 651,620 | 1,322,055 |
| Cash and cash equivalents at the end of the year | | <u>899,619</u> | <u>651,620</u> |
| Cash and bank balances | | <u>899,619</u> | <u>651,620</u> |

Hansel Foundation Parent Company Statement of Cash Flows
For the Year Ended 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|--|-------|----------------|------------------|
| Cash from operating activities | 30 | <u>39,574</u> | <u>(506,927)</u> |
| Cash flows from investing activities | | | |
| Interest received | | 50,424 | 50,882 |
| Interest paid | | - | - |
| Purchase of tangible fixed assets | | (13,309) | (5,583) |
| Purchase of investments | | (611,829) | (360,276) |
| Proceeds from disposal of investments | | <u>614,068</u> | <u>248,652</u> |
| Cash from investing activities | | <u>39,354</u> | <u>(66,325)</u> |
| Cash flows for financing activities | | | |
| Repayment of pension scheme settlement | | - | - |
| Repayments of bank borrowings | | <u>-</u> | <u>-</u> |
| Cash used in financing activities | | <u>-</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | 78,928 | (573,252) |
| Cash and cash equivalents at the beginning of the year | | 434,595 | 1,007,847 |
| Cash and cash equivalents at the end of the year | | <u>513,523</u> | <u>434,595</u> |
| Cash and bank balances | | <u>513,523</u> | <u>434,595</u> |

Hansel Foundation Group Notes to the Consolidated Accounts For the Year ended 31 March 2025

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).

The presentation currency is GBP. The figures in these financial statements have been rounded to the nearest pound.

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

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 5 and 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 2025

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 12 and 13. 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 2025

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 profit and loss on a straight line basis over the lease term.

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).

1. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management are required to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and assets and liabilities as at the reporting date. However, the nature of estimation means actual outcomes could differ from those estimates. There are no judgements or estimates deemed to have a significant effect on amounts recognised in the financial statements.

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

4. Donations and legacies

| | 2025 | | 2024 | |
|--|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Company £ | Group £ | Company £ |
| Donations under £250 | 23,708 | 23,708 | 14,362 | 14,362 |
| Trusts, donations and legacies over £250 | 107,657 | 107,657 | 164,418 | 164,418 |
| | <u>131,365</u> | <u>131,365</u> | <u>178,780</u> | <u>178,780</u> |

5. Charitable activities income

| | 2025 | | 2024 | |
|---|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Company £ | Group £ | Company £ |
| Residential service funding | 4,869,141 | - | 4,562,659 | - |
| Domiciliary care and outreach service funding | 6,799,271 | - | 6,561,273 | - |
| Employability activities income | 231,804 | - | 292,513 | - |
| Property income | 111,776 | 147,677 | 114,476 | 162,691 |
| Corporate services/development | 27,088 | 1,262,788 | 24,099 | 1,221,948 |
| Other grant/trust funding | - | - | - | - |
| | <u>12,039,080</u> | <u>1,410,465</u> | <u>11,554,930</u> | <u>1,384,639</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 Access to Work 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.

6. Other trading activities

| | 2025 | | 2024 | |
|--|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Company £ | Group £ | Company £ |
| Fundraising events | 14,610 | 14,610 | 10,658 | 10,658 |
| Tearoom, shop sales and laundry services | 146,540 | - | 120,468 | - |
| | <u>161,150</u> | <u>14,610</u> | <u>131,126</u> | <u>10,658</u> |

7. Investment income

| | 2025 | | 2024 | |
|---|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Company £ | Group £ | Company £ |
| Bank interest received | 3,918 | 3,918 | 4,565 | 4,565 |
| Interest received from subsidiary undertaking | - | 40,300 | - | 38,750 |
| Dividend & interest from investments | 6,206 | 6,206 | 7,567 | 7,567 |
| | <u>10,124</u> | <u>50,424</u> | <u>12,132</u> | <u>50,882</u> |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

8. Covid-19 Government Funding

| | 2025 | | 2024 | |
|---------------------------|-------|---------|-------|---------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| HMRC Job Retention Scheme | - | - | - | - |
| Other funding income | - | - | - | - |
| | - | - | - | - |

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.

9. Interest payable

| | 2025 | | 2024 | |
|------------------------|-------|---------|-------|---------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Hire purchase interest | - | - | - | - |
| Bank interest payable | - | - | - | - |
| | - | - | - | - |

10. Analysis of expenditure on raising funds

| | 2025 | | 2024 | |
|--|---------|---------|---------|---------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Other costs : consumables for tearoom, shop sales, etc | 25,357 | - | 28,670 | - |
| Fundraising and Comms direct costs - staff | 40,539 | 40,539 | 43,396 | 43,396 |
| - other | 43,136 | 43,136 | 45,494 | 45,494 |
| Fundraising event support | 3,040 | 3,040 | 3,255 | 3,255 |
| | 112,072 | 86,715 | 120,815 | 92,145 |

11. Other Expenditure

| | 2025 | | 2024 | |
|-------------------------------|-------|---------|-------|---------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Funding to subsidiary company | - | - | - | - |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

12. Analysis of expenditure on Group charitable activities

| | Direct costs | | Governance & Support | | Total 2025 | Total 2024 |
|---|------------------|------------------|----------------------|----------------|-------------------|-------------------|
| | Staff costs | Other costs | Staff costs | Other costs | | |
| | £ | £ | £ | £ | £ | £ |
| Direct charitable expenditure; | | | | | | |
| Residential service costs | 3,284,659 | 716,636 | 318,166 | 224,902 | 4,544,363 | 4,154,381 |
| Domiciliary care and outreach service costs | 5,824,657 | 170,486 | 530,734 | 234,680 | 6,760,557 | 6,693,525 |
| Employability activities costs | 517,812 | (106,625) | 98,741 | 29,335 | 539,263 | 471,464 |
| Property running costs | - | 330,201 | - | 25,305 | 355,506 | 397,894 |
| | <u>9,627,128</u> | <u>1,110,698</u> | <u>947,641</u> | <u>514,222</u> | <u>12,199,689</u> | <u>11,717,264</u> |
| Totals 2024 | <u>9,189,919</u> | <u>1,157,063</u> | <u>836,843</u> | <u>533,439</u> | | <u>11,717,264</u> |

£3,905 of depreciation costs in respect of residential service costs was restricted (2024: £4,684), and £52,000 of restricted fund income was utilised for the Bridging the Gap (Horticultural) Project (2024: £45,623).

No property running costs were met from restricted funds (2024: 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.

13. Analysis of expenditure on Parent company charitable activities

| | Direct costs | | Governance & Support | | Total 2025 | Total 2024 |
|--------------------------------|----------------|----------------|----------------------|---------------|------------------|------------------|
| | Staff costs | Other costs | Staff costs | Other costs | | |
| | £ | £ | £ | £ | £ | £ |
| Direct charitable expenditure; | | | | | | |
| Property running costs | - | 330,201 | - | 25,305 | 355,506 | 397,894 |
| Group services support | 834,142 | 283,670 | 113,499 | 26,580 | 1,256,891 | 1,156,136 |
| | <u>834,142</u> | <u>612,871</u> | <u>113,499</u> | <u>51,885</u> | <u>1,612,397</u> | <u>1,554,030</u> |
| Totals 2024 | <u>731,207</u> | <u>661,944</u> | <u>105,635</u> | <u>55,244</u> | | <u>1,554,030</u> |

No group service support costs were met from restricted funds (2024: 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 2025

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

| | Staff costs £ | Other Costs £ | Governance Costs £ | 2025 Total £ | 2024 Total £ |
|-------------------------------------|--------------------------|--------------------------|-------------------------------|-------------------------|-------------------------|
| Charitable activity: | | | | | |
| Residential service costs | 318,166 | 212,985 | 11,917 | 543,068 | 505,272 |
| Domiciliary care and outreach costs | 530,734 | 214,801 | 19,879 | 765,414 | 723,857 |
| Employability activities costs | 98,741 | 25,637 | 3,698 | 128,076 | 112,768 |
| Property running costs | - | (15,894) | 41,199 | 25,305 | 28,385 |
| | <u>947,641</u> | <u>437,529</u> | <u>76,693</u> | <u>1,461,863</u> | <u>1,370,282</u> |
| Totals 2024 | <u>836,843</u> | <u>456,458</u> | <u>76,981</u> | | <u>1,370,282</u> |

Governance costs above include staff costs of £13,494 (2024: £12,846).

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

| | Support Costs £ | Other Costs £ | Governance Costs £ | 2025 Total £ | 2024 Total £ |
|------------------------|----------------------------|--------------------------|-------------------------------|-------------------------|-------------------------|
| Charitable activity: | | | | | |
| Property running costs | - | 25,305 | - | 25,305 | 28,385 |
| Group service support | 113,499 | (14,619) | 41,199 | 140,079 | 132,494 |
| | <u>113,499</u> | <u>10,686</u> | <u>41,199</u> | <u>165,384</u> | <u>160,879</u> |
| 2024 | <u>105,635</u> | <u>15,973</u> | <u>39,271</u> | | <u>160,879</u> |

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

16. Group net expenditure/(income)

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

| | 2025 £ | 2024 £ |
|---|-------------------|-------------------|
| Auditors' remuneration (net of VAT) | | |
| - audit | 21,250 | 19,000 |
| - other services | 750 | 2,000 |
| Operating lease rentals | | |
| - other plant & equipment | 14,117 | 14,117 |
| Depreciation | | |
| - owned assets | 170,682 | 176,144 |
| - assets on hire purchase contracts | - | - |
| Interest payable | - | - |
| (Gain)/loss on disposal of other fixed assets | <u>(169)</u> | <u>2,038</u> |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

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

| | 2025 | | 2024 | |
|-----------------------|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Company £ | Group £ | Company £ |
| Wages and salaries | 9,424,947 | 778,648 | 8,956,766 | 688,707 |
| Social security costs | 811,057 | 101,302 | 745,156 | 91,349 |
| Other pension costs | 379,304 | 108,230 | 368,236 | 100,182 |
| | <u>10,615,308</u> | <u>988,180</u> | <u>10,070,158</u> | <u>880,238</u> |

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

| | 2025 | | 2024 | |
|----------------------|----------------------|------------------------|----------------------|------------------------|
| | Group No. | Company No. | Group No. | Company No. |
| £60,001 to £70,000 | - | - | 1 | 1 |
| £70,001 to £80,000 | 2 | 2 | 2 | 2 |
| £80,001 to £90,000 | 1 | 1 | - | - |
| £90,001 to £100,000 | - | - | - | - |
| £100,001 to £110,000 | 1 | 1 | 1 | 1 |

One Director/trustee 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;

| | 2025 | | 2024 | |
|-------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| | Gross Salary £ | Employer Pension £ | Gross Salary £ | Employer Pension £ |
| Chief Executive Officer | 106,254 | 15,862 | 101,570 | 15,024 |

No payment was made to any Executive Director in respect of reimbursement of expenses relative to their role as trustee in either 2025 or 2024. No other Non-Executive Director/trustee was in receipt of remuneration (2024: none).

The key management of the charitable company comprise the Chief Executive Officer noted above, the Social Care Director, the People and Development Director and the Finance and Operational Support Director. The total employee benefits of the key management personnel, were £425,004 including pension costs and employer's National Insurance costs (2024: £404,495).

18. Staff numbers

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

| | 2025 | | 2024 | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Group No. | Company No. | Group No. | Company No. |
| Residential care staff | 93 | - | 94 | - |
| Domiciliary/outreach staff | 155 | - | 166 | - |
| Employability activities staff | 29 | - | 28 | - |
| Support service staff including fundraising | 27 | 26 | 26 | 25 |
| | <u>304</u> | <u>26</u> | <u>314</u> | <u>25</u> |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

19. Comparatives for the Consolidated Statement of Financial Activities

| | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2024 £ |
|---|-----------------------------------|-------------------------------------|---------------------------------------|
| Income and endowments from | | | |
| Donations and legacies | - | 178,780 | 178,780 |
| Charitable activities: | | | |
| Residential service funding | - | 4,562,659 | 4,562,659 |
| Domiciliary care & outreach service | | | |
| Funding | - | 6,561,273 | 6,561,273 |
| Employability activities income | 50,000 | 242,513 | 292,513 |
| Property income | - | 114,476 | 114,476 |
| Corporate services income | - | 24,099 | 24,099 |
| Other trust/grant funding | - | - | - |
| Other trading activities | - | 131,126 | 131,126 |
| Investment income | - | 12,132 | 12,132 |
| Covid-19 Government Funding | - | - | - |
| Total income | 50,000 | 11,827,058 | 11,877,058 |
| Expenditure on | | | |
| Raising funds | - | 120,815 | 120,815 |
| Charitable activities: | | | |
| Residential service costs | 4,684 | 4,149,697 | 4,154,381 |
| Domiciliary care and outreach | | | |
| service costs | - | 6,693,525 | 6,693,525 |
| Employability activities costs | 45,623 | 425,841 | 471,464 |
| Property running costs | - | 397,894 | 397,894 |
| Total expenditure | 50,307 | 11,787,772 | 11,838,079 |
| Net income/(expenditure) before gains and losses | (307) | 39,286 | 38,979 |
| Gains on investments | - | 23,218 | 23,218 |
| Net expenditure after gains and losses | (307) | 62,504 | 62,197 |
| Reconciliation of funds | | | |
| Funds brought forward | 40,314 | 4,153,451 | 4,193,765 |
| Total funds carried forward | 40,007 | 4,215,955 | 4,255,962 |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

19. Comparatives for the Parent Company Statement of Financial Activities

| | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2024 £ |
|---|-----------------------------------|-------------------------------------|---------------------------------------|
| Income and endowments from | | | |
| Donations and legacies | - | 178,780 | 178,780 |
| Charitable activities: | | | |
| Property income | - | 162,691 | 162,691 |
| Corporate services income | - | 1,221,948 | 1,221,948 |
| Service development funding | - | - | - |
| Other trust/grant funding | - | - | - |
| Other trading activities | - | 10,658 | 10,658 |
| Investment income | - | 50,882 | 50,882 |
| Covid-19 Government Funding | - | - | - |
| Total income | - | 1,624,959 | 1,624,959 |
| Expenditure on | | | |
| Raising funds | - | 92,145 | 92,145 |
| Charitable activities: | | | |
| Property running costs | - | 397,894 | 397,894 |
| Group services support | - | 1,156,136 | 1,156,136 |
| Other expenditure: | | | |
| Subsidiary company funding | - | - | - |
| Total expenditure | - | 1,646,175 | 1,646,175 |
| Net expenditure before gains or losses | - | (21,216) | (21,216) |
| Gain on investments | - | 23,218 | 23,218 |
| Net expenditure after gains or losses | - | 2,002 | 2,002 |
| Reconciliation of funds | | | |
| Funds brought forward | - | 3,681,171 | 3,681,171 |
| Total funds carried forward | - | 3,683,173 | 3,683,173 |

20. 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 2025

21. Tangible fixed assets

| Group | Heritable Property £ | Plant & Equipment £ | Furniture & Fittings £ | Motor Vehicles £ | Total £ |
|-------------------------|----------------------------|---------------------------|------------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 April 2024 | 7,222,297 | 496,325 | 129,953 | 207,318 | 8,055,893 |
| Additions in year | 7,718 | 46,348 | - | 4,000 | 58,066 |
| Disposals in year | - | - | - | (9,266) | (9,266) |
| At 31 March 2025 | 7,230,015 | 542,673 | 129,953 | 202,052 | 8,104,693 |
| Depreciation | | | | | |
| At 1 April 2024 | 4,732,973 | 382,714 | 90,969 | 173,889 | 5,380,545 |
| Charge for year | 123,962 | 33,481 | 3,899 | 9,339 | 170,681 |
| Eliminated on disposals | - | - | - | (9,196) | (9,196) |
| At 31 March 2025 | 4,856,935 | 416,195 | 94,868 | 174,032 | 5,542,030 |
| Net book value | | | | | |
| At 31 March 2025 | 2,373,080 | 126,478 | 35,085 | 28,020 | 2,562,663 |
| At 31 March 2024 | 2,489,324 | 113,611 | 38,984 | 33,429 | 2,675,348 |

The net book value of fixed assets includes £Nil (2024: £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 2024 | 7,222,297 | 100,644 | 2,168 | 9,995 | 7,335,104 |
| Additions in year | 7,718 | 5,591 | - | - | 13,309 |
| Disposals in year | - | - | - | - | - |
| At 31 March 2025 | 7,230,015 | 106,235 | 2,168 | 9,995 | 7,348,413 |
| Depreciation | | | | | |
| At 1 April 2024 | 4,732,973 | 74,125 | 1,775 | 8,662 | 4,817,535 |
| Charge for year | 123,962 | 6,422 | 38 | 333 | 130,755 |
| Eliminated on disposals | - | - | - | - | - |
| At 31 March 2025 | 4,856,935 | 80,547 | 1,813 | 8,995 | 4,948,290 |
| Net book value | | | | | |
| At 31 March 2025 | 2,373,080 | 25,688 | 355 | 1,000 | 2,400,123 |
| At 31 March 2024 | 2,489,324 | 26,519 | 393 | 1,333 | 2,517,569 |

The depreciation charge for property would have been £291,050 if individual heritable property had not been subject to re-assessment of residual value and estimated useful life.

22. Investment Account

| | 2025 £ | 2024 £ |
|---------------------------|-----------|-----------|
| Balance brought forward | 639,250 | 512,562 |
| Additions in year | 611,829 | 360,276 |
| Disposals in year | (614,068) | (248,652) |
| Realised losses | 12,805 | (5,237) |
| Unrealised gains/(losses) | 3,057 | 28,455 |
| Income account movement | 3,661 | (8,154) |
| Balance carried forward | 656,534 | 639,250 |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

23. Stock

| | 2025 | | 2024 | |
|----------------|---------------|--------------|--------------|--------------|
| | Group £ | Company £ | Group £ | Company £ |
| Raw materials | 10,444 | - | 8,098 | - |
| Finished goods | 678 | - | 1,330 | - |
| | <u>11,122</u> | <u>-</u> | <u>9,428</u> | <u>-</u> |

24. Debtors

| | 2025 | | 2024 | |
|---|------------------|----------------|------------------|----------------|
| | Group £ | Company £ | Group £ | Company £ |
| Balance due from subsidiary undertaking | - | 72,359 | - | 104,576 |
| Trade debtors | 1,005,130 | (6,043) | 1,115,803 | 9,394 |
| Other debtors | 187,508 | 187,508 | 274,376 | 186,943 |
| Prepayments and accrued income | 87,562 | - | - | - |
| | <u>1,280,200</u> | <u>253,824</u> | <u>1,390,179</u> | <u>300,913</u> |

25. Creditors: Amounts falling due within one year

| | 2025 | | 2024 | |
|---|------------------|----------------|------------------|----------------|
| | Group £ | Company £ | Group £ | Company £ |
| Trade creditors | 175,385 | 98,894 | 176,174 | 100,490 |
| Taxation and social security costs | 170,184 | 29,055 | 180,206 | 27,606 |
| Accruals | 710,787 | 89,268 | 753,483 | 81,058 |
| Pension scheme settlement (see note 26) | - | - | - | - |
| | <u>1,056,356</u> | <u>217,217</u> | <u>1,109,863</u> | <u>209,154</u> |

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:

| | 2025 | | 2024 | |
|---|---------------|---------------|---------------|---------------|
| | Group £ | Company £ | Group £ | Company £ |
| Within one year | 13,080 | 12,164 | 13,424 | 12,164 |
| Later than one year but within five years | 12,450 | 12,164 | 25,529 | 24,328 |
| | <u>25,530</u> | <u>24,328</u> | <u>38,953</u> | <u>36,492</u> |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

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. The balance due at the end of the year was £Nil (2024: £250,000)

| | 31 March 2025 | | 31 March 2024 | |
|---|----------------------|----------------------|----------------------|----------------------|
| Contributions to the schemes during the year were as follows: | Group £ | Company £ | Group £ | Company £ |
| Defined contribution schemes | 380,521 | 108,230 | 369,412 | 100,182 |

28. Analysis of net assets between funds

| Group | Tangible fixed assets £ | Net Current assets £ | Liabilities > 1 year £ | Total 2025 £ | Total 2024 £ |
|--------------------|--|---|--|-----------------------------|-----------------------------|
| Unrestricted Funds | 2,526,561 | 1,791,119 | - | 4,317,680 | 4,215,955 |
| Restricted Funds | 36,102 | - | - | 36,102 | 40,007 |
| | <u>2,562,663</u> | <u>1,791,119</u> | <u>-</u> | <u>4,353,782</u> | <u>4,255,962</u> |
| Company | | | | | |
| Unrestricted Funds | 2,400,123 | 1,206,664 | - | 3,606,787 | 3,683,173 |
| Restricted Funds | - | - | - | - | - |
| | <u>2,400,123</u> | <u>1,206,664</u> | <u>-</u> | <u>3,606,787</u> | <u>3,683,173</u> |

Comparatives for analysis of net assets between funds

| Group | Tangible fixed assets £ | Net Current assets £ | Liabilities > 1 year £ | Total 2024 £ |
|--------------------|--|---|--|-----------------------------|
| Unrestricted Funds | 2,635,341 | 1,580,614 | - | 4,215,955 |
| Restricted Funds | 40,007 | - | - | 40,007 |
| | <u>2,675,348</u> | <u>1,580,614</u> | <u>-</u> | <u>4,255,962</u> |
| Company | | | | |
| Unrestricted Funds | 2,517,569 | 1,165,604 | - | 3,683,173 |
| Restricted Funds | - | - | - | - |
| | <u>2,517,569</u> | <u>1,165,604</u> | <u>-</u> | <u>3,683,173</u> |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

29. Analysis of charitable funds

(a) Unrestricted funds

| Group | Balance at 1 April 2024 £ | Income £ | Expended £ | Transfers £ | Balance at 31 March 2025 £ |
|----------------------------|---------------------------------|-------------|---------------|----------------|-------------------------------------|
| Designated funds: | | | | | |
| Tangible fixed assets fund | 2,647,841 | - | - | (108,780) | 2,539,061 |
| | 2,647,841 | - | - | (108,780) | 2,539,061 |
| General reserve | 1,568,114 | 12,357,581 | (12,255,856) | 108,780 | 1,778,619 |
| | 4,215,955 | 12,357,581 | (12,255,856) | - | 4,317,680 |

Transfers represented by;

| | |
|-----------------------------|-----------|
| Disposal of assets | (70) |
| Asset additions in year | 58,066 |
| Restricted funds adjustment | 3,905 |
| Less depreciation | (170,681) |
| | (108,780) |

| Company | Balance at 1 April 2024 £ | Income £ | Expended £ | Transfers £ | Balance at 31 March 2025 £ |
|----------------------------|---------------------------------|-------------|---------------|----------------|-------------------------------------|
| Designated funds: | | | | | |
| Tangible fixed assets fund | 2,517,569 | - | - | (117,446) | 2,400,123 |
| | 2,517,569 | - | - | (117,446) | 2,400,123 |
| General reserve | 1,165,604 | 1,622,726 | (1,699,112) | 117,446 | 1,206,664 |
| | 3,683,173 | 1,622,726 | (1,699,112) | - | 3,606,787 |

Transfers represented by;

| | |
|----------------------------|-----------|
| Loss on disposal of assets | - |
| Asset additions in year | 13,309 |
| Less depreciation | (130,755) |
| | (117,446) |

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 2025

29. Analysis of charitable funds (cont'd)

| (b) Restricted funds | Balance at 1 April 2024 £ | Income £ | Expenditure and Transfers £ | Balance at 31 March 2025 £ |
|---|--|---------------------|--|---|
| Storage, racking & shelving | 47 | - | (5) | 42 |
| Market gardens equipment | 3 | - | (1) | 2 |
| Equipment for residential unit | 1,422 | - | (284) | 1,138 |
| Vehicles for residential unit | 226 | - | (12) | 214 |
| Vehicle for respite services | 155 | - | (27) | 128 |
| Vehicle for residential unit | 1,361 | - | (397) | 964 |
| Commercial washing machine | 2,622 | - | (524) | 2,098 |
| The National Lottery Community Fund – Bridging the Gap Horticultural Project | 12,500 | 50,000 | (50,000) | 12,500 |
| Commercial washing machine | 4,864 | - | (973) | 3,891 |
| Shawburn kitchen | 16,807 | - | (1,682) | 15,125 |
| Commercial washing machine | - | 2,000 | (2,000) | - |
| Group total | 40,007 | 52,000 | 55,905 | 36,102 |
| Represented by : | | | | |
| Cash at bank | 12,500 | | | 12,500 |
| Fixed assets | 27,507 | | | 23,602 |
| | 40,007 | | | 36,102 |

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 2023 £ | Income £ | Expended £ | Transfers £ | Balance at 31 March 2024 £ |
|----------------------------|--|---------------------|-----------------------|------------------------|---|
| Designated funds: | | | | | |
| Tangible fixed assets fund | 2,789,830 | - | - | (141,989) | 2,647,841 |
| | 2,789,830 | - | - | (141,989) | 2,647,841 |
| General reserve | 1,363,621 | 11,850,276 | (11,787,772) | 141,989 | 1,568,114 |
| | 4,153,451 | 11,850,276 | (11,787,772) | - | 4,215,955 |

Transfers represented by;

| | |
|-----------------------------|------------------|
| Disposal of assets | (2,038) |
| Asset additions in year | 31,509 |
| Restricted funds adjustment | 4,684 |
| Less depreciation | (176,144) |
| | (141,989) |

Hansel Foundation Group Notes to the Consolidated Accounts (Cont'd)
For the Year ended 31 March 2025

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

| Company | Balance at 1 April 2023 £ | Income £ | Expended £ | Transfers £ | Balance at 31 March 2024 £ |
|----------------------------|------------------------------------|-------------|---------------|----------------|-------------------------------------|
| Designated funds: | | | | | |
| Tangible fixed assets fund | 2,650,021 | - | - | (132,452) | 2,517,569 |
| | 2,650,021 | - | - | (132,452) | 2,517,569 |
| General reserve | 1,030,150 | 1,648,177 | (1,646,175) | 132,452 | 1,165,604 |
| | 3,681,171 | 1,648,177 | (1,646,175) | - | 3,683,173 |

Transfers represented by;

| | |
|----------------------------|-----------|
| Loss on disposal of assets | (521) |
| Asset additions in year | 5,583 |
| Less depreciation | (137,514) |
| | (132,452) |

| (b) <i>Restricted funds</i> | Balance at 1 April 2023 £ | Income £ | Expenditure and Transfers £ | Balance at 31 March 2024 £ |
|--------------------------------|---------------------------------|-------------|-----------------------------------|----------------------------------|
| Storage, racking & shelving | 52 | - | (5) | 47 |
| Market gardens | 5 | - | (2) | 3 |
| Equipment for residential unit | 1,778 | - | (356) | 1,422 |
| Vehicles for residential unit | 301 | - | (75) | 226 |
| Vehicle for respite services | 208 | - | (53) | 155 |
| Vehicle for residential unit | 1,815 | - | (454) | 1,361 |
| Commercial washing machine | 3,277 | - | (655) | 2,622 |
| Horticultural project | 8,123 | 50,000 | (45,623) | 12,500 |
| Commercial washing machine | 6,080 | - | (1,216) | 4,864 |
| Shawburn kitchen | 18,675 | - | (1,868) | 16,807 |
| Group total | 40,314 | 50,000 | (50,307) | 40,007 |
| Represented by : | | | | |
| Cash at bank | 8,123 | | | 12,500 |
| Fixed assets | 32,191 | | | 27,507 |
| | 40,314 | | | 40,007 |

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

For the Year ended 31 March 2025

30. *Note to the statement of cash flows*

Group

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

| | 2025 £ | 2024 £ |
|---|-----------|-----------|
| Net movement in funds (as per the statement of financial activities) | 97,820 | 62,197 |
| Adjustment for items not regarded as operating activities for cash flow statement: | | |
| Deduct interest income shown in investing activities | (10,124) | (12,132) |
| Add back interest expenditure shown in investing activities | - | - |
| Add back depreciation | 170,681 | 176,144 |
| Loss on disposal of other fixed assets | (169) | 2,038 |
| Increase in stock | (1,694) | (31) |
| (Increase)/decrease in debtors | 109,979 | (783,282) |
| Increase/(decrease) in creditors | (53,507) | 30,911 |
| Gain on investments | (15,862) | (23,218) |
| Increase/(decrease) in investment account | (3,661) | 8,154 |
| Net cash (outflow)/income used in operating activities | 293,463 | (539,219) |

Company

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

| | 2025 £ | 2024 £ |
|---|-----------|-----------|
| Net movement in funds (as per the statement of financial activities) | (76,386) | 2,002 |
| Adjustment for items not regarded as operating activities for cash flow statement: | | |
| Deduct interest income shown in investing activities | (50,424) | (50,882) |
| Add back interest expenditure shown in investing activities | - | - |
| Add back depreciation | 130,755 | 137,514 |
| Loss on disposal of fixed assets | - | 521 |
| Decrease/(increase) in debtors | 47,089 | (224,493) |
| Increase/(decrease) in creditors | 8,063 | (356,525) |
| Gain on investments | (15,862) | (23,218) |
| Increase/(decrease) in investment account | (3,661) | 8,154 |
| Net cash (outflow)/income from operating activities | 39,574 | (506,927) |

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 2024).

Hansel Foundation has provided cross guarantee arrangements in respect of its subsidiary company, Hansel Alliance. As at 31 March 2025 Hansel Alliance had no bank borrowings (2024: £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 2025, with the exception of matters addressed at note 17.

Appendix

Hansel Foundation - Charitable Trusts and other Donations etc. of £250 and over Receivable in year ended 31 March 2025

| | Unrestricted Funds £ |
|---|----------------------------|
| Trusts, donations and legacies as per the accounts includes the following: | |
| Fraser Donalson | 250 |
| Mr Reid | 300 |
| Ayrshire Philharmonic Operatic Society | 435 |
| John Bryson | 600 |
| The Garnock Valley Community Concert Band | 663 |
| M V Hillhouse Trust | 1,000 |
| Arnold Clark | 1,000 |
| Mileway BV | 1,650 |
| Mr Gordon | 2,000 |
| Laurence Bradley | 3,800 |
| Kenneth Whitelaw | 3,885 |
| Mrs M H McMillan Charitable Trust | 4,000 |
| Lowmac Alloys | 4,500 |
| W A Cargill Fund | 5,000 |
| Hugh & Mary Miller Bequest Fund | 8,100 |
| Hugh & Mary Miller Bequest Fund | 8,100 |
| Galleon Curling Club Annual Bonspiel | 13,500 |
| Brian David Watson's Estate | 18,073 |
| Mr & Mrs Howe | 30,800 |
| | <hr/> |
| | 107,656 |

