

THE HEXTOL FOUNDATION
(A charitable company limited by guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2021

Registered company number 05896869
Registered charity number 1120857

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE HEXTOL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021

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THE HEXTOL FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1120857

Company number: 05896869

Trustees

Mr G Dodd (Chairman)
Mr J H Pike (Treasurer)
Mr P J V Cockerill
Ms K M Lavery
Mr S R McArdle

Chief Executive and Company Secretary

Mr B N Howorth

Registered office

14c Gilesgate
Hexham
Northumberland
NE46 3NJ

Accountants

Joseph Miller
Floor A
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers

Barclays Bank plc
Priestpopple
Hexham
Northumberland
NE46 1PE

THE HEXTOL FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

Reference and administrative details, set out on the previous page, form part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the memorandum and articles of association and 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).

Structure, governance and management

Governing document

The Hextol Foundation is a company limited by guarantee and is governed by its memorandum and articles of association dated 4 August 2006, as amended by special resolutions dated 14 August 2007 and 4 July 2011. It was registered with the Charity Commission on 14 September 2007.

Appointment of Trustees

The Trustees are directors for the purposes of company law and the members of the charity must become Trustees. The number of Trustees must not be less than three and no more than twelve persons. The Trustees may at any time co-opt persons between annual general meetings, provided that the number co-opted does not exceed one third of the total number of Trustees. All co-optees must stand down at the end of the annual general meeting following their co-option.

Induction and training of Trustees

The induction and training of Trustees is dealt with according to individual need. Trustees usually have prior professional, sector or charity knowledge and experience.

Organisation

The charity is managed by the Trustees, who meet approximately 4 times a year. Two Trustees are needed for a quorum. The Trustees who have served during the year are set out on the reference and administrative details page.

The Chief Executive is responsible for the leadership, strategic development and effectiveness of the charity and oversees the delivery of services.

The Funding and Finance Manager is responsible for fundraising activity to support the charity and for day to day accounting and financial reporting.

The Office Manager is responsible for administrative and operational support, including health and safety and other central functions.

The Resourcing Manager is responsible for the recruitment, development and welfare of all Volunteers.

The Catering Manager, Gardening Service Manager oversee the planning, logistics and delivery of the services for their business; supported by Supervisors to run each shift, guiding the Volunteers and ensuring the service delivered meets customer expectations.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Risk management

A full set of policies on health and safety, financial management, staffing, information security and customer liaison have been established and are reviewed as required.

Safety

The charity has a natural focus on the safety and security of its entire workforce, especially as a number of them are vulnerable people. With this in mind,

- All Managers, Supervisors and Administrative staff are qualified first aiders.
- All who work at the charity (including volunteers and beneficiaries) must obtain an enhanced Disclosure and Barring Service check and are governed by the charity's policy for protecting vulnerable adults and children.
- Advice has been provided by the local fire service about fire escape routes.
- Safeguarding policies and procedures have been reviewed during the year.

The charity's health and safety officer is Claire Smith.

Its employer's liability, public and products liability and contents insurance policy is provided by Towergate Insurance and its insurers are QBE Insurance (Europe) Ltd.

Objectives and activities

The Hextol Foundation is an independent charitable company, based in Hexham, creating opportunities for people with a learning disability and / or mental health needs to gain real work experience and to develop job skills, confidence and self-esteem, thereby helping to improve mental and physical health and reduce social isolation. These are rare opportunities for people, whose condition or disability makes it practically impossible for them to gain paid employment, to be able to contribute to society and to find a real sense of purpose.

Our charitable objects are to improve the lives of people with disabilities and who may have other disadvantages, by creating opportunities to work, providing education and training and developing such other charitable forms of support as required. We achieve this by setting up not for profit businesses that provide safe and supported work and work-based training.

By our work we seek to challenge the stigma which surrounds the ability of those with learning difficulties and mental health needs.

In planning and carrying out the charity's activities for the year, the Trustees have considered the guidance produced by the Charity Commission on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The COVID pandemic and its effects on the charity

The year in question was significantly impacted by the COVID pandemic. On 21 March 2020 we were forced to closed our services to volunteers. The year was further disrupted by the second and third lockdowns.

Throughout the pandemic our focus has been the health, safety and welfare of our beneficiaries, staff and customers and we have therefore followed all government guidance as well as applicable regulations and restrictions. The vulnerable nature of our beneficiary group made this even more important.

THE HEXTOL FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The COVID pandemic and its effects on the charity *(continued)*

The majority of staff were furloughed at the beginning of the pandemic and brought back as we were able to reopen services, using the flexible furlough scheme where possible. Home working was instituted for staff for whom this was possible, recognising that the nature of the Foundation's work involves face to face interaction with beneficiaries and therefore is not compatible with home working for many of the staff team.

The Chief Executive, Finance and Funding Manager and Gardening staff worked throughout the pandemic to maintain services for customers as well as ensure the continued safe and sustainable operation of the charity.

Services were reopened to beneficiaries when it was considered safe to do so and when regulations permitted. Among the measures we put in place were reduced numbers of beneficiaries in our working teams to ensure, as far as possible, social distancing was maintained. This had an inevitable impact on our ability to deliver working opportunities to our beneficiaries and a key target for the future will be to increase beneficiary numbers and working hours to pre-pandemic levels as soon as possible.

The Tans café reopened in mid July and traded until it was required (as a result of national and local restrictions) to close again on 5 November. It was closed for the remainder of the financial year, but reopened in May 2021.

We prioritised communication throughout the various lockdowns, launching and distributing a newsletter, *Hextol happenings* to our beneficiaries and supporters on a weekly basis from April 2020. We also formalised an outreach programme during the second and third lockdowns meaning we were able to retain contact with our beneficiaries, offering them help and support and mitigating some of the isolating effects of the pandemic.

Trading was severely adversely impacted by the closures which is reflected in the accounts accompanying this report. However, the Foundation had a positive year in many ways, due to a combination of: sound financial management; the generosity of our funders; the support of our customers; the hard work and resilience of staff; and the effect of government (local and national) schemes. Some relevant highlights include:

- Grant funding enabling; the replacement of old IT equipment with a cloud based system and new hardware; the purchase of mobile phones for remote workers; the purchase of new equipment at the Tans including coffee machine, commercial dishwasher, washing machine and drier; purchase of a new EPOS system. All these items will facilitate future expansion and ease pressure on cash flow which may have resulted from their forced replacement.
- A grant from the Provincial Grand Lodge of Freemasons of Northumberland (Henry Holmes Benevolent Fund) enabling the purchase of a crew cab van for the Newcastle gardening service which has allowed significant expansion of that service.
- Grants from various funders have strengthened core funding.
- A Bounce Back Loan of £50,000 which will be repaid over a maximum term of 10 years and will provide some additional financial security as the full economic effects of the pandemic become clear.
- Access to grants for the hospitality sector resulting from the closure of the Tans café.

The combined effect of these has been to place the Foundation in a strong position to build for the future as the restrictions related to the pandemic gradually unwind.

THE HEXTOL FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

As set out above the ability of the Foundation to deliver its principal objective of providing working opportunities to its beneficiaries has been severely restricted by the pandemic.

However, during the year to 31 March 2021, we

- Worked with 33 beneficiaries across all our service areas (2019/20: 83)
- Provided 2,176 hours of working experience for our beneficiaries (2019/20: 10,816)
- Continued to operate the café we had opened in 2016 (Hextol Tans) when opening was permitted and it was deemed safe to do so
- Continued to provide gardening, pack and post and warehouse services in Hexham
- Continued to expand the customer base for our gardening services in both Newcastle and Hexham.

Over the year the following hours of working experience completed by our beneficiaries was:

- Hextol Tans: 588 hours (2019/20: 4,145), with 16 individuals engaged (2019/20: 41)
- Greenbox: 297 hours (2019/20: 1,610), with 13 individuals engaged (2019/20: 24)
- Gardening (Hexham): 369 hours (2019/20: 969) with 7 individuals engaged (2019/20: 14)
- Gardening (Newcastle): 741 hours (2019/20: 1,855) with 6 individuals engaged (2019/20: 15)
- PropertyWorks: 183 hours (2019/20: 736 hours) with 3 individuals engaged (2019/20: 6)
- Catering: 0 hours (2019/20: 1,109)
- Core (cleaning, office support etc): 0 hours (2019/20: 394).

Financial review and performance

The principal source of income comprised trading of £129,331 (2019/20: £217,887), with a further £238,719 in grants and donations (2019/20 £85,988).

The net income for the year was £85,109 (2019/20 net expenditure £36,176) as disclosed in the Statement of Financial Activities on page 8. Unrestricted funds at the year end increased to £98,357.

Principal funding

We would like to thank all our funders for your support during the year. The funding we receive is vital and enables us to continue to provide the services we offer. But more than this we appreciate and value the fact our supporters recognise the positive impact of the work we do.

Full details of all our funders can be found at note 4 to the accompanying financial statements.

Reserves policy

It is the policy of the charity to seek to establish and maintain a reserves fund based on a business risk assessment or on covering up to 6 months of operating costs. After the fourteenth year of the charity's operation, free reserves at 31 March 2021 totalled £88,084 (2019/20: £31,366). The Trustees will review both the policy and the reserves position on a regular basis.

Plans for future periods

The charity will continue to provide opportunities in Hexham and Newcastle, with its primary aim being to continue to operate in a COVID secure way and to reopen all its services to beneficiaries and gradually increase beneficiary numbers and work hours to exceed pre-pandemic levels.

THE HEXTOL FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods *(continued)*

The Foundation will look to grow its activities, especially in the Newcastle and wider Northumberland areas, following the expansion of the existing gardening service.

Wherever appropriate the charity will seek to work in partnership with other organisations, including charities, to expand the opportunities available to its beneficiaries in a sustainable and mutually beneficial way.

We will continue to work with all our stakeholders to take opportunities for growth whenever they arise.

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of The Hextol Foundation for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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 operation.

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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

On behalf of the Trustees



Mr G Dodd
Chairman
Date:

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE HEXTOL FOUNDATION

I report to the charity Trustees on my examination of the financial statements of the company for the year ended 31 March 2021, which are set out on pages 8 to 17.

Responsibilities and basis of report

As the charity's Trustees of the company (and also, it's directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the financial statements do not accord with those accounting records; or
- (3) the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- (4) the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities (applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

D R GOLD BA FCA
Independent Examiner
Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE
Date: 8 November 2021

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations, grants and legacies	4	124,661	114,058	238,719	85,988
Charitable activities	5	129,331	-	129,331	217,887
Total income		<u>253,992</u>	<u>114,058</u>	<u>368,050</u>	<u>303,875</u>
Expenditure on:					
Raising funds		13,143	-	13,143	6,569
Charitable activities		187,609	82,189	269,798	333,482
Total expenditure	6	<u>200,752</u>	<u>82,189</u>	<u>282,941</u>	<u>340,051</u>
Net income (expenditure)	3	53,240	31,869	85,109	(36,176)
Transfers between funds		<u>2,753</u>	<u>(2,753)</u>	<u>-</u>	<u>-</u>
Net movement in funds for the year		55,993	29,116	85,109	(36,176)
Reconciliation of funds					
Total funds brought forward		42,364	39,515	81,879	118,055
Total funds carried forward		<u>98,357</u>	<u>68,631</u>	<u>166,988</u>	<u>81,879</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 10 to 17 form part of these financial statements

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

Company number: 05896869

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	£	2021 £	2020 £
Fixed assets				
Tangible assets	7		66,477	35,749
Current assets				
Debtors	8	31,842		25,381
Cash at bank and in hand		<u>125,731</u>		<u>40,137</u>
		157,573		65,518
Creditors: amounts falling due within one year	9	<u>(12,895)</u>		<u>(19,388)</u>
Net current assets			144,678	46,130
Creditors: amounts falling due after more than one year	10		(44,167)	-
Net assets			<u>166,988</u>	<u>81,879</u>
Funds of the charity				
Unrestricted income funds			98,357	42,364
Restricted income funds	13		68,631	39,515
Total charity funds	12		<u>166,988</u>	<u>81,879</u>

For the year ended 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- (ii) The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

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

The financial statements were approved and signed by the Trustees and authorised for issue on



Mr G Dodd
Chairman

The notes on pages 10 to 17 form part of these financial statements.

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

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

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. They have been prepared in accordance with 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 Charities SORP FRS 102 (1 January 2019), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The Hextol Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentation currency of the charity.

b) Preparation of the accounts on a going concern basis

The Trustees have reviewed its cash flow forecasts and there is a reasonable expectation that the charity has adequate resources to continue in operational existence for at least the next twelve months and on this basis the Trustees consider that the charity is a going concern.

c) Fund accounting - Unrestricted and restricted funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are given for a specific purpose and further details are provided in the notes to the financial statements.

d) Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of a fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	- 25% per annum on a reducing balance basis
Furniture and equipment	- 15% per annum on a reducing balance basis
Motor vehicles	- 25% per annum on a reducing balance basis

e) Cash at bank

Cash at bank consists of a Barclays Bank plc current account.

f) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

g) Financial instruments

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value, with the exception of the bounce back loan which is measured at amortised cost using the effective interest method.

h) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

i) Income recognition

All income is included in the statement of financial activities when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants and donations and are included in full in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants and other income received in advance of the period to which they relate are treated as deferred income if the related expenditure cannot be incurred until the future period. Deferred income is included in liabilities in the balance sheet.

For legacy income, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate.

Donated goods are recognised as income when the charity has control over the item, any conditions associated with the donated item has been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. Donated goods are measured at their fair value.

j) Expenditure recognition

Expenditure is recognised as soon as 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. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprise the costs incurred in raising income from grants and donations. Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Support costs relating to more than one activity are allocated on the basis of staff time spent.

k) Pension costs

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution in the year is disclosed in note 6. The money purchase plan is managed by B&CE Holdings (The People's Pension). The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

3. Net income (expenditure)

	2021	2020
	£	£
Net income (expenditure) for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	891	865
Accountancy services	1,859	1,605
Depreciation of tangible fixed assets	9,221	8,142

4. Donations, grants and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Catherine Cookson Charitable Trust	-	-	-	500
Community Fund Awards for All	-	-	-	8,582
Community Foundation (Linden Family and P&G)	-	10,000	10,000	-
Community Foundation (The Thorntons Family Grassroots Fund)	-	1,300	1,300	-
Co-op Local Community Fund	-	1,899	1,899	-
Cumbria, Northumberland, Tyne and Wear NHS Foundation	-	12,000	12,000	-
E C Graham Belford Charitable Settlement	-	-	-	5,000
Freemasons of Northumberland	-	19,555	19,555	1,000
Greggs Foundation	-	10,000	10,000	15,000
Hadrian Trust	-	1,000	1,000	1,000
Hexham Round Table	-	-	-	400
Hexham Town Council	4,000	-	4,000	-
Marsh Christian Trust	400	-	400	-
Newcastle Building Society Community Fund	-	-	-	1,975
Northumberland Business Service Limited	-	1,649	1,649	-
Northumberland County Council (Community Chest)	-	2,000	2,000	3,427
Northumberland County Council (Business Grants fund)	22,638	-	22,638	-
Rotary Club of Hexham	-	-	-	852
R W Mann Trust	-	-	-	500
Tesco Bags of Help	-	500	500	-
The 1989 Willan Charitable Trust	10,000	-	10,000	-
The Baily Thomas Charitable Fund	-	10,000	10,000	20,000
The Barbour Foundation	2,000	-	2,000	-
The Bernicia Foundation	10,000	-	10,000	-
The David Solomons Charitable Trust	750	-	750	-
The Edward Gostling Foundation	15,000	-	15,000	5,000
The Finnis Scott Foundation	-	820	820	-
The Foxglove Trust	-	-	-	2,350
The Hedley Denton Charitable Trust	-	-	-	1,000
The Hospital of God at Greatham	-	-	-	1,000
The Joicey Trust	5,000	-	5,000	5,000
The Joseph Strong Frazer Trust	2,000	-	2,000	2,000
The National Lottery Community Fund	-	40,000	40,000	-
The Rothley Trust	-	900	900	-
The Shears Foundation	5,000	-	5,000	5,000
The Sir Jules Thorn Charitable Trust	1,000	-	1,000	-
	77,788	111,623	189,411	79,586

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4. Donations, grants and legacies *(continued)*

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Balance brought forward	77,788	111,623	189,411	79,586
The Smith (Haltwhistle & District) Charitable Trust	-	-	-	200
The William Webster Charitable Trust	-	-	-	2,000
The Woodward Charitable Trust	-	-	-	500
Tynedale Lions Club	-	200	200	-
Coronavirus Job Retention Scheme grant	41,388	-	41,388	-
Bounce Back loan interest grant	729	-	729	-
Donations (including donated assets)	4,756	2,235	6,991	3,702
	<u>124,661</u>	<u>114,058</u>	<u>238,719</u>	<u>85,988</u>

5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Trading income from:				
Hextol Gardening	46,719	-	46,719	49,471
Hextol Greenbox	11,387	-	11,387	21,919
Hextol Lunches	(105)	-	(105)	7,867
Hextol PropertyWorks	53,041	-	53,041	58,508
Hextol Tans café	15,157	-	15,157	78,786
Other income	3,132	-	3,132	1,336
	<u>129,331</u>	<u>-</u>	<u>129,331</u>	<u>217,887</u>

6. Total expenditure

	Raising funds	Charitable activities £	Governance costs £	Total 2021 £	Total 2020 £
Direct costs					
Staff costs	-	118,471	-	118,471	143,836
Hextol Gardening	-	10,341	-	10,341	9,186
Hextol Greenbox	-	9,594	-	9,594	16,147
Hextol Lunches	-	-	-	-	4,480
Hextol PropertyWorks	-	17,955	-	17,955	20,352
Hextol Tans café	-	23,501	-	23,501	50,446
Professional fees	-	4,430	-	4,430	3,244
Accountancy fees	-	-	2,750	2,750	2,470
Loss (profit) on disposal	-	1,910	-	1,910	(50)
Interest payable	-	729	-	729	-
Depreciation	-	9,221	-	9,221	8,142
Allocated support costs					
Staff costs	10,893	35,024	3,447	49,364	38,215
Office costs	2,250	31,713	712	34,675	43,583
	<u>13,143</u>	<u>262,889</u>	<u>6,909</u>	<u>282,941</u>	<u>340,051</u>
Governance costs			6,909		
Total expenditure on charitable activities		<u>269,798</u>			

THE HEXTOL FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

6. Total expenditure (continued)

The aggregate staff costs were:

	2021	2020
	£	£
Wages and salaries	159,672	172,798
Social security costs	3,677	4,914
Pension costs	4,486	4,339
	<u>167,835</u>	<u>182,051</u>

The charity considers its key management personnel comprise the Trustees and the Chief Executive

The total employment benefits of the key management personnel were £31,469 (2020: £27,410).

There are no employees with emoluments above £60,000 per annum.

The average number of employees during the year, analysed by function was as follows:

	2021	2020
Management	2	2
Project staff	12	15

Trustees' remuneration and related party transactions

The Trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

During the year, emoluments were paid to the partner of a Trustee in respect of their employment with the charity. The Trustees have confirmed that procedures are in place to avoid any potential conflict of interest.

7. Tangible fixed assets

	Motor Vehicles	Office equipment	Furniture and equipment	Total
	£	£	£	£
At 1 April 2020	17,772	11,829	48,197	77,798
Additions	19,555	10,580	11,724	41,859
Disposals	-	-	(4,101)	(4,101)
At 31 March 2021	<u>37,327</u>	<u>22,409</u>	<u>55,820</u>	<u>115,556</u>
Depreciation				
At 1 April 2020	9,631	9,787	22,631	42,049
Charge for the year	3,258	1,352	4,611	9,221
On disposals	-	-	(2,191)	(2,191)
At 31 March 2021	<u>12,889</u>	<u>11,139</u>	<u>25,051</u>	<u>49,079</u>
Net book value				
At 31 March 2021	<u>24,438</u>	<u>11,270</u>	<u>30,769</u>	<u>66,477</u>
At 31 March 2020	<u>8,141</u>	<u>2,042</u>	<u>25,566</u>	<u>35,749</u>

8. Debtors

	2021	2020
	£	£
Other debtors	14,388	21,234
Prepayments and accrued income	14,618	4,147
Other taxation and social security	2,836	-
	<u>31,842</u>	<u>25,381</u>

THE HEXTOL FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2021

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loan	5,833	-
Other taxation and social security	-	6,476
Other creditors	3,137	5,279
Accruals	3,925	4,133
Deferred income	-	3,500
	<u>12,895</u>	<u>19,388</u>

10. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loan	44,167	-

During the year the charity took out a £50,000 loan under the Bounce Back Loan Scheme. The original loan term agreed in August 2020 was 6 years. In August 2021, the loan term was extended to 10 years. The loan carries interest at the rate of 2.5%.

11. Commitments under operating leases

At 31 March 2021 future minimum rentals payable under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Within one year	29,580	29,480
In two to five years	24,819	21,353
	<u>54,399</u>	<u>50,833</u>

12. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Long term liabilities	Total 2021 £	Total 2020 £
Unrestricted income funds	10,273	132,251	(44,167)	98,357	42,364
Restricted income funds	56,204	12,427	-	68,631	39,515
	<u>66,477</u>	<u>144,678</u>	<u>(44,167)</u>	<u>166,988</u>	<u>81,879</u>

Analysis of net assets between funds - previous year

	Tangible fixed assets £	Net current assets £	Long term liabilities	Total 2020 £	Total 2019 £
Unrestricted income funds	10,998	31,366	-	42,364	76,105
Restricted income funds	24,751	14,764	-	39,515	41,950
	<u>35,749</u>	<u>46,130</u>	<u>-</u>	<u>81,879</u>	<u>118,055</u>

THE HEXTOL FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2021

13. Restricted income funds

	Balance 2020 £	Income £	Movement in resources: Expenditure £	Transfer £	Balance 2021 £
<i>Funds expended on tangible fixed assets:</i>	24,751	-	(6,450)	-	18,301
<i>New ventures, job development training and support:</i>					
Catherine Cookson Charitable Trust	500	-	(38)	-	462
Community Foundation (Linden Family and P&G)	-	10,000	(985)	-	9,015
Family					
Grassroots Fund)	-	1,300	(590)	-	710
Co-op Local Community Fund	-	1,899	-	-	1,899
Cumbria, Northumberland, Tyne and Wear NHS Foundation	-	12,000	(11,971)	-	29
Freemasons Northumberland	-	19,555	(1,222)	-	18,333
Greggs Foundation	-	10,000	(10,000)	-	-
Hadrian Trust	-	1,000	(1,000)	-	-
Northumberland Business Service Limited	-	1,649	(103)	-	1,546
Northumberland County Council (Community Chest)	3,427	2,000	(257)	-	5,170
Tesco Bags of Help	-	500	(500)	-	-
The Baily Thomas Charitable Fund	3,668	10,000	(13,668)	-	-
The Finnis Scott Foundation	-	820	(41)	-	779
The Foxglove Trust	753	-	-	(753)	-
The National Lottery Community Fund	-	40,000	(32,850)	-	7,150
The Rothley Trust	-	900	(79)	-	821
The William Webster Charitable Trust	2,000	-	-	(2,000)	-
Training support donations	4,416	2,235	(2,235)	-	4,416
Tynedale Lions Club	-	200	(200)	-	-
	39,515	114,058	(82,189)	(2,753)	68,631

Funds expended on tangible fixed assets: The fund balance carried forward of £18,301 represents the net book value of assets acquired for grants, partly already expended in previous years.

New ventures, job development training and support:

£10,000 was received from the Community Foundation (Linden Family and P&G) for purchasing hygiene resources and equipment.

£12,000 was received from the Cumbria, Northumberland, Tyne and Wear NHS Foundation for Tans running costs.

£19,555 was received from Freemasons Northumberland for the purchase of a new van.

£10,000 was received from Greggs Foundation towards salary costs.

£40,000 was received from The National Lottery Community Fund towards salary costs, IT upgrade and COVID-19 safety equipment.

£10,000 was received from The Baily Thomas Charitable Fund towards salary costs.

The transfer total of £2,753 represents the balance of restricted grants being released to unrestricted funds due to the COVID-19 pandemic, as agreed with the funders.

THE HEXTOL FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

13. Restricted income funds (continued)

Restricted income funds - previous year

	Balance 2019 £	Income £	Movement in resources: Expenditure £	Transfer £	Balance 2020 £
<i>Funds expended on tangible fixed assets:</i>	30,556	-	(5,805)	-	24,751
<i>New ventures, job development training and support:</i>					
Catherine Cookson Charitable Trust	-	500	-	-	500
Hadrian Trust	1,000	1,000	(2,000)	-	-
Hexham Round Table	204	400	(604)	-	-
Newcastle Building Society Community Fund	-	1,975	(771)	(1,204)	-
Northumberland Country Council (Community Chest)	-	3,427	-	-	3,427
Rotary Club of Hexham	8	-	(8)	-	-
R W Mann Trust	-	500	-	(500)	-
Sir James Knott Trust	4,009	-	(4,009)	-	-
The Baily Thomas Charitable Fund	-	20,000	(16,332)	-	3,668
The Barbour Foundation	2,004	-	(2,004)	-	-
The Edward Gostling Foundation	-	5,000	(5,000)	-	-
The Foxglove Trust	-	2,350	(1,597)	-	753
The Hedley Denton Charitable Trust	-	1,000	-	(1,000)	-
The Joicey Trust	-	5,000	(5,000)	-	-
The Rothley Trust	1,000	-	(1,000)	-	-
The William Webster Charitable Trust	-	2,000	-	-	2,000
The Woodward Charitable Trust	-	500	(500)	-	-
Training support donations	3,076	1,340	-	-	4,416
Tynedale Rotary Club	93	-	(93)	-	-
	41,950	44,992	(44,723)	(2,704)	39,515

14. Post balance sheet event

The Trustees have considered the continuing impact of the COVID-19 pandemic, which has not resulted in any adjustment to these financial statements.

There is a continuing potential loss of trading income, but at this stage, it is impossible to estimate the longer term financial implications for the charity. The Trustees consider that the reserves and financial position of the charity mitigate the immediate risk.