

**THE HOXTON TRUST**  
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT  
AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**Company No: 1659324**  
**Charity No: 289423**

**THE HOXTON TRUST**  
(A company limited by guarantee)

**REPORT AND ACCOUNTS**

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**THE HOXTON TRUST**  
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**CHAIRMAN'S REPORT**

**FOR THE YEAR ENDED 31ST MARCH 2020**

I am delighted to introduce this report for 2019/20, which shows that our financial situation continues to improve to a point where we can begin to look to the future with renewed confidence. We have also continued to provide much needed free legal advice to the most disadvantaged people in the south of Hackney and have maintained and managed a beautiful community garden for the benefit of everyone.

Income is up by more than 10% from £105,698 to £116,716 thanks in part to better fundraising, e.g. a three-year grant from Trust for London and an on-off payment from London Legal Support Trust. Both of those help cover the costs of our legal advice service. Trading income is also up by over 10% although donations are down. We know our activities could potentially attract significant income from donations but we currently lack the capacity to begin to address this.

Expenditure is down from £126,862 to £123,058 and I am especially pleased to report that our cost base now seems to be under control as this now gives us a solid platform on which to build future growth and long-term sustainability.

The overall financial performance is good, with a small but very manageable deficit of just over £6,000. Given the cumulative deficit of the last two years was nearly £50,000, this is an excellent performance and I pay tribute to the hard work of our Executive Director, Paul Fleming, for turning the organisation around.

Our thanks go to ELBA for linking Paul with an executive from Société Générale who has provided valuable mentoring support.

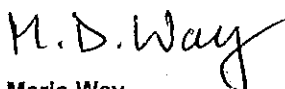
Our legal advice service is a lifeline for so many disadvantaged and vulnerable people. Most people come to us needing help to navigate the benefits and housing systems and we also help people in areas of debt, employment and sometimes even family law matters. We are the only remaining free advice service offering general legal support in the south of the borough and we are proud of our reputation. My thanks go to our paid legal advisors, Margaret Lauder and Clarissa Trevor, and the volunteers who support their work, notably Hatun Koc, Amy Stephenson, Sarah Bartlett and Arlene Hare. We are thankful for the grants we have received from East End Citizens Advice (as part of the London Borough of Hackney 'Advice in health care settings' contract) and from the Trust for London, which help us to finance this work and we continue to top up the remaining costs from our unrestricted income, despite the deficit, and will continue to subsidise this vital activity for as long as we possibly can.

Our other project is the management and maintenance of The Hoxton Trust Community Garden, an oasis of green in the middle of an increasingly dense urban area which we have curated for nearly 40 years. Our part time community gardener, Stephen Mason, has further progressed our bio-diversity plan and our transition to being fully organic is now almost complete. Long term volunteers, Stephen Crook and Richard Anderson, have given around a staggering 1,000 hours of time, for which we are enormously grateful. Again, we thank the corporate volunteers from Benefacto, and all of the other local volunteers who came to help us to keep the garden looking lovely. We work hard to make sure it is a safe, clean space where everyone is welcome.

May I take this opportunity to thank Annietta Stapleton and Tony Jones for their work in the office; Lorena Wilson for volunteering in the office, Kimson Alexander for all the odd jobs done, and to Blue Lizard, who so expertly manage our IT systems.

Can I take this opportunity to thank my fellow trustees for their support, and to welcome Father Ben Bell and Ruth Lomax, who joined the board during this period? Their interest in the charity, combined with their knowledge and expertise, is proving invaluable.

Finally, the COVID pandemic will seriously challenge what we do and the way that we do it. It remains to be seen how successful we are at navigating those challenges, but I am confident that we are in a much better place to be able to do that, than we were a couple of years ago.



**Maria Way**  
Chair

**THE HOXTON TRUST**  
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2020, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

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: Statements 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).

**OUR PURPOSE AND ACTIVITIES**

**Vision:** Our vision is of a respectful and friendly community, where people help each other learn, develop and grow a network of support.

**Mission:** Our mission is to build the skills, knowledge and confidence of the community so that together we can make our area a better place to live. We do this by:

- Investing in people to enable them to realise their potential.
- Creating a mutually respectful, friendly, supportive environment where we work with people to help them learn, develop and solve their problems.
- Working with others (public, private and voluntary sector groups and organisations) to create a network of support for our community.

**Charitable objects**

The charity's objects ("Objects") are specifically restricted to the following:

- (1) The relief of financial hardship by the provision of free legal advice and assistance to persons who, through lack of means, would otherwise be unable to obtain such advice.
- (2) To advance the education and training of the public in the subject of horticulture and in the geography, history, natural history and architecture of Hoxton.
- (3) To develop the capacity and skills of the members of the socially and economically disadvantaged community of Hoxton / Shoreditch in such a way that they are better able to identify and, help to meet, their needs, and to participate fully in society.
- (4) The promotion, for the benefit of the public, of urban regeneration in areas of social and economic deprivation (and in particular in Hoxton in the London Borough of Hackney).
- (5) Such other means as may from time to time be determined by the Trust, subject to prior written consent of the Charity Commissioners for England & Wales.

**Achievements and Performance**

**Hoxton Trust Community Garden**

The garden has been as popular as ever with up to 1,000 people enjoying the calm and tranquil space each week. We are proud of this unique space, where people of all ages, ethnicities and social backgrounds come for a variety of reasons; we even hosted International Yoga Day in June. We are constantly on the lookout to attract similar activities and to make the most of a much-loved social asset.

One off volunteering, including small corporate groups, provided 1100 hours of volunteer time with 110 volunteers, of whom 4-6 lived locally and came weekly. Our objective is to increase the number of local volunteers and to increase the community involvement in the charity's activities. Corporate volunteers from Benefacto were especially useful in helping with larger tasks, such as moving the raised beds to a new location. We wanted to create more food growing space without changing the look of the garden; the beds are intended predominantly for use by wheelchair users. We have had some lower tree branches cleared to improve the light in this area.

**THE HOXTON TRUST**  
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**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**



*Volunteers moving one of the raised beds*

A corporate group also helped with the construction of a pergola, which supports four white dessert grape vines. These will provide much needed shade and, we hope, bountiful harvests of edible fruit in future years.

Other highlights include an increase in the sale of plants that have been propagated in our yard and greenhouse, and an organic food project that produced a wide selection of vegetables and over 70 kilos of fruit, which we gave away to clients, and improvements to the diversity of plant species, whilst creating new habitats in order to improve biodiversity.

A survey of local people who use the garden found that over 90% said they felt safe in the garden and they would come again. They were from wide cultural backgrounds and age groups.

They enjoyed the peace and quiet and plantings and thought the garden was well kept. There was a lot of interest in growing food and in garden related workshops, and we plan to develop this area of work in the coming year.

**Hoxton Trust Legal Advice Services**

Our free legal advice service has had another very busy year. We employ two part-time advisors, and they saw 926 individual clients, dealt with 1630 separate matters and made over 3,000 phone and email contacts in their attempts to solve the clients' problems. Our core service is two mornings a week, when we have drop-in sessions to see new clients, and 3 afternoons a week, during which we carry out follow up appointments. We also deliver advice in health care settings as part of a contract with East End CAB, and this is funded by Hackney Council.

**CASE STUDY**

Ms A, a Dutch national with 3 children, approached us because her income support had stopped; her youngest child had reached 5 and she was no longer entitled to the benefit. She'd been refused Universal Credit because the DWP had decided that, although she came to the UK in 2000 and had been claiming income support, she was not habitually resident and did not have the right to reside for benefits purposes. Mrs A had gaps in her work-seeking history and the DWP believed she did not meet the required 5-year qualifying period. We appealed and won the case; we also helped her to successfully apply for Carer's Allowance. Over the year, we calculated that she was entitled to approximately £36,000 in benefits, including backdated Universal Credit, housing costs, Carer's Allowance and Council Tax Reduction.

Around 50% of the matters we deal with are welfare related. The benefits system throws up numerous mistakes, anomalies and contradictions that makes it very difficult for some people to effectively navigate the system themselves. So, they come to us, either just once, or, because they value our expertise, on numerous occasions. We welcome old clients, and although our aim is to inform and educate the people we see so they can manage any future problems themselves, we also recognise this isn't appropriate in every case. People trust us to deal with them professionally, courteously and effectively, and we are proud of our reputation.

As well as Universal Credit, we are experts in child benefit, housing benefit, employment support allowance, personal independent payments, pension credit, disability living allowance and a whole range of entitlements many people are unable to access themselves.

**THE HOXTON TRUST**  
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT (Cont'd)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**CASE STUDY**

MD lives with her grown-up son but due to his income, Hackney Council had made a (non-dependent) deduction from her housing benefit. Her poor mental health meant she struggled to sort the matter out herself and was consequently in considerable rent arrears. She came to us extremely upset and distressed. As the son's only income was Carer's Allowance, and he was only able to claim this because MD was claiming the Daily Living component of the Personal Independence Payment, there should be no non-dependent deduction from the claimant's housing benefit.

We contacted Hackney Council pointing out their error, and MD received a backdated payment of housing benefit a few days later with all rent arrears cleared. She was delighted and very grateful for our help. She said we had saved her life.

We calculate we have helped clients receive £255,140 in benefits to which they were entitled, but without our help these would not have been awarded. We have gone to appeal 11 times and won 10 of the appeals.

After welfare, the second most important area of our advice work concerns housing, accounting for 20% of the total. We've helped 6 clients get repairs and improvements to their homes, including damp and wall repairs; helped 2 clients to postpone a possession order, and 3 more where a warrant of eviction has been stayed. We've also helped one client to find a flat after being made homeless, and another to avoid homelessness altogether. We've been successful in getting grants for furniture, and in dozens of cases of reducing rent arrears, by nearly £40,000.

Helping clients manage their money is the other key area of activity, making up about 15% of the matters we have dealt with. We've worked on 11 cases where £91,747 of debt has been written off all together and a further 16 cases where repayment arrangements have been made on £37,468 of debt.

Other areas of legal advice relate to employment, education, family law, criminal law, form filling and immigration. The reason we deal with more matters than the number of clients we see is because many people come with multiple problems; some interconnecting, some separate. We are an unusual agency in that we deal with each individual in the round, with just one advisor solving all their problems, rather than getting them to see different people for different matters. Where we don't have sufficient knowledge or expertise, we will signpost to specialist agencies.

**Public benefit statement**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

**FINANCIAL REVIEW**

The Statement of Financial Activities showed net deficit of £6,342 (2019 – deficit £21,164) for the year and reserves stand at £49,294 (2019 – £55,636). The financial position at the year revealed by the Balance Sheet on page 11 shows net current assets or working capital of £45,263 (2019 – £52,767). The net book value of fixed assets held, all of which are used directly for charitable purposes, amounted to £4,031 (2019 – £2,869).

**Principal funding sources**

The Hoxton Trust continues to rely heavily on rental income from various leasehold properties. However, we have further diversified our income so other principal funding is from Trust for London and East End Citizens Advice Bureaux.

**Investment powers and policy**

The Memorandum and Articles of Association authorises the Trustees to expend the funds of the Charity in such manner as they shall consider most beneficial for the achievement of the objects and to invest in the name of the Charity such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objects of the charity. At the present time the Trust does not invest its money.

**THE HOXTON TRUST**  
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**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

**Reserves policy**

Reserves are needed to bridge the gap between the receiving and spending of income and to cover unplanned emergency repairs and other expenditure such as redundancies. The trustees considered that the ideal level of reserves as at 31<sup>st</sup> March 2020 would be a minimum of 4 months' expenditure (around £40,000). This is reviewed in the light of changes to activity, staffing and funding, and is monitored as part of the budgeting process.

The year-end accounts showed reserves of £49,294 (2019 - £55,636). The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £45,263 (2019 - £50,478).

The trustees have reviewed the circumstances of the Charity for the foreseeable future and are of the view that the Charity is a going concern.

**FUTURE PLANS AND DEVELOPMENTS**

1. We will continue to focus on delivering a balanced budget through an improved fundraising performance and on-going control on all expenditure.
2. We will base our fundraising strategy on the needs of the people who live in the south of Hackney, especially the wards of Hoxton West and Hoxton East and Shoreditch. Consequently, we will continue to improve our internal systems for recording the outcomes and impact of the work we do as well as improving the way we engage and communicate with our community.
3. We will consolidate our relationships with other organisations and stakeholders across the borough in order to partner, or join-up, where possible, a more effective response to the needs of our community.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Hoxton Trust is registered under the Companies Act 1985 as a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 8<sup>th</sup> August 1982 and was registered as a charity on 18<sup>th</sup> May 1984.

The company was established under the Memorandum of Association, which established the objects and power of the charitable company and is governed under the Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The charity registration number is 289423 and the company registration number is 1659324.

**Recruitment and appointment of Trustees**

Individuals are sought who have an interest in one or more areas of work of The Hoxton Trust, and can offer areas of specialism where appropriate. At each general meeting one-third of the directors must retire from Office. This will be by rotation, those who have been longest in office since their last appointment. A director shall cease to hold office if (s)he is absent without permission of the directors from all their meetings held within a period of six consecutive months, and the directors resolve that his / her office be vacated.

**Trustee induction and training**

New trustees are inducted on the work and culture of The Hoxton Trust and on the roles and responsibilities of Trustees.

The Trustees maintain a good working knowledge of charity and company law and best practise by attendance at charity and company courses run by outside providers. New Trustees are given copies of the Memorandum and Articles of Association.

**THE HOXTON TRUST**  
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT (Cont'd)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**Organisation**

The board of trustees (who are also directors) shall not be less than three and there is no maximum number. The company is organised so that the Trustees meet quarterly, whereby any major risks to which the charity is exposed are reviewed and systems and procedures are established to manage those risks. If the need arises, there will be occasional extra meetings to discuss problems which arise unexpectedly. Trustees host annual Trust consultation meetings with staff and volunteers to inform the decision making by Trustees about the future direction of the Trust.

The daily operations are the responsibility of the Executive Director who has overall responsibility for the various projects and reports formally on a monthly basis to the Chair, in addition to the quarterly board meetings.

**Related parties**

The Trust works closely with the London Borough of Hackney, East End Citizens Advice, Family Action and Derman to help shape and fund our legal advice service. We also work with East London Business Alliance (ELBA) and Benefacto who have supported the Trust with volunteers and trustees.

**Risk Management**

The trustees have a risk management approach and following a review by officers of the major risks to which the charity is exposed a risk register has been established. The three main areas highlighted are:

- Funding (development of varied funding streams);
- Appropriate financial procedures are in place;
- Health and safety risks are minimised.

These risks are managed by ensuring that robust policies and processes are in place and appropriate training is provided for staff.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Company Number:** 01659324

**Charity Number:** 289423

**Directors**

Maria Way – Chair  
Richard Bartram  
Warren Drew (Appointed on 16/05/2019)  
Brogan McPherson (Appointed on 14/06/2019)  
Lelah Palmer (Appointed on 14/06/2019)  
Mrithula Shanker (Appointed on 14/06/2019)  
Victoria Actua (Appointed on 20/06/2019)  
Reverend Ben Bell (Appointed on 27/01/2020)  
Ruth Lomax (Appointed on 27/01/2020)  
Reverend Christopher Woods (Resigned on 06/04/2019)  
Paul John Fleming (Resigned on 21/06/2019)  
Carolyn Housman (Resigned on 27/01/2020)

**Secretary:** Paul Fleming

**Senior Management Personal:** Paul Fleming – Executive Director

**Registered Office:** 156 Hoxton Street, London N1 6SH

**Independent Examiner:** David Terry FCA,  
Ramon Lee Ltd, 93 Tabernacle Street, London EC2A 4BA

**Bankers:** Bank of Scotland, London Chief Office Branch, P.O. Box 1000, BX2 1LB

**Solicitors:** Nicholas & Co., 18-22 Wigmore Street, London W1U 2RG



**THE HOXTON TRUST**  
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT (Cont'd)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**Trustees' responsibilities in relation to the financial statement**

The Trustees (who are also directors of The Hoxton Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 for that period.

In preparing these financial statements, the Trustees are required to:

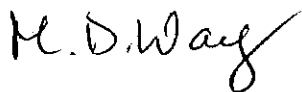
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 business.

The Trustees are responsible for keeping proper 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.

The trustees are responsible for maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

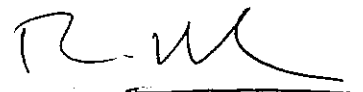
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**APPROVED BY THE TRUSTEES AND SIGNED ON THEIR BEHALF BY:**



**Maria Way**  
Director / Chair

**16th November 2020**



**Richard Bartram**  
Director / Trustee

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**

### **THE HOXTON TRUST**

(A company limited by guarantee)

I report on the accounts of the company for the year ended 31<sup>st</sup> March 2020.

#### **Respective responsibilities and basis of report**

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").


Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts 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 statement**

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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 accounts to be reached.



**DAVID TERRY FCA  
RAMON LEE LTD  
CHARTERED ACCOUNTANT**

**93 TABERNACLE STREET  
LONDON EC2A 4BA**

**16<sup>th</sup> NOVEMBER 2020**

**THE HOXTON TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income</b>					
Donations	<u>2</u>	3,462	-	3,462	12,039
Income from charitable activities	<u>3</u>	14,750	21,096	35,846	24,150
Other trading income	<u>4</u>	77,408	-	77,408	69,509
<b>Total Income</b>		<b>95,620</b>	<b>21,096</b>	<b>116,716</b>	<b>105,698</b>
<b>Expenditure</b>					
Cost of raising funds	<u>5</u>	23,952	-	23,952	20,539
Charitable activities	<u>5</u>	75,721	23,385	99,106	106,323
<b>Total expenditure</b>		<b>99,673</b>	<b>23,385</b>	<b>123,058</b>	<b>126,862</b>
<b>Net income/( expenditure) and</b>		<b>(4,053)</b>	<b>(2,289)</b>	<b>(6,342)</b>	<b>(21,164)</b>
<b>Transfer between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds for the year</b>		<b>(4,053)</b>	<b>(2,289)</b>	<b>(6,342)</b>	<b>(21,164)</b>
<i>Reconciliation of funds</i>					
Total funds, brought forward		53,347	2,289	55,636	76,800
<b>Total funds, carried forward</b>		<b>49,294</b>	<b>-</b>	<b>49,294</b>	<b>55,636</b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial periods.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 12 to 19 form part of these accounts.

**THE HOXTON TRUST**  
(A company limited by guarantee)

**BALANCE SHEET AS AT 31ST MARCH 2020**

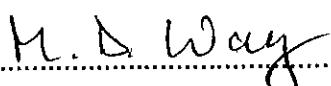
	Notes	2020	2019
<b>Fixed assets</b>			
Tangible assets	<u>10</u>	4,031	2,869
<b>Current assets</b>			
Debtors	<u>11</u>	3,834	13,532
Cash at bank and in hand		<u>54,468</u>	<u>52,351</u>
		58,302	65,883
<b>Liabilities</b>			
Creditors falling due within one year	<u>12</u>	<u>(13,039)</u>	<u>(13,116)</u>
<b>Net current assets</b>		45,263	52,767
<b>Net assets</b>		<u><u>49,294</u></u>	<u><u>55,636</u></u>
<b>The funds of the charity:</b>			
Unrestricted funds	<u>13</u>	49,294	53,347
Restricted funds	<u>13</u>	-	2,289
<b>Total charity funds</b>		<u><u>49,294</u></u>	<u><u>55,636</u></u>

For the financial year ended 31<sup>st</sup> March 2020 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as is applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and Trustees on 16<sup>th</sup> November 2020 and were signed on its behalf by:

.....  MARIA WAY (DIRECTOR / CHAIR)

.....  RICHARD BARTRAM (DIRECTOR / TRUSTEE)

Company Number: 01659324

The notes on pages 12 to 19 form part of these accounts.

**THE HOXTON TRUST**  
(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of accounts**

The financial statements 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 (FRS 102) (effective 1 January 2019), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Hoxton Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

**1.2 Preparation of accounts on a going concern basis**

The Charity's Financial Statements show free reserves of £45,263 as at the year end. The trustees are of the view that these results and fundraising plans for the future have secured the immediate future of the Charity for the next 12 months and on this basis the Charity is a going concern.

**1.3 Income recognition**

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 amount can be measured reliably.

- (a) Income received by donations is included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (c) Grants and donations of general nature which are not conditional on delivering certain levels of service are included as part of Donations as shown under Note 2. Performance related grants and donations which have conditions for a specific outcome are include as Income from Charitable Activities as shown in Note 3.
- (d) Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract.
- (e) Rental income and service charge income are credited to income in the year in which they are receivable.

**1.4 Volunteers and donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have 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. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Charity is not recognised in the main body of the financial accounts but detail is contained in the Trustees report.

On receipt, donated professional services, donated facilities and goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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**1.5 Expenditure recognition and irrecoverable VAT**

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 classified under the following activity headings:

- (a) Cost of raising funds comprises costs of seeking donations and property rental costs and their associated support costs.
- (b) Expenditure on charitable activities include expenditure associated with the main objectives of the charity and include both the direct costs and support costs relating to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1.6 Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 6.

**1.7 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

**1.8 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases.

Computer equipment	- 25% straight-line method
Office equipment	- 25% straight-line method
Office furniture	- 25% straight-line method

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term cash deposits.

**1.11 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 after allowing for any trade discounts due.

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**NOTES TO THE ACCOUNTS (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

**1.12 Financial Instruments**

The 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Taxation**

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**1.14 Judgement and key sources of estimation uncertainty**

In the application of the company's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**1.15 Cash flow statement**

The charitable company qualifies as a small company and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 1, not to prepare a cash flow statement.

**1.16 Pension**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

**2. GRANTS AND DONATIONS**

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations	3,462	-	3,462	5,839
The Clothworker's Foundation	-	-	-	6,200
	<u>3,462</u>	<u>-</u>	<u>3,462</u>	<u>12,039</u>

Donation income in 2019 totalling £12,039 was attributed to unrestricted funds of £5,839 and restricted funds of £6,200.

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**NOTES TO THE ACCOUNTS (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<i>Grants and donations:</i>				
<b>Legal advice</b>				
Trust for London	-	14,500	14,500	-
London Legal Support Trust	-	5,000	5,000	-
Social Action for Health (HIAC)	-	1,596	1,596	19,152
East End Citizens Advice Bureaux	14,750	-	14,750	-
<b>Community Gardening</b>				
The Grocers Charity	-	-	-	4,998
	<u>14,750</u>	<u>21,096</u>	<u>35,846</u>	<u>24,150</u>

Income from charitable activities in 2019 totalling £24,150 was all attributed to restricted funds.

**4. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds £	Total 2020 £	Total 2019 £
Rental Income	77,408	77,408	69,509
	<u>77,408</u>	<u>77,408</u>	<u>69,509</u>

The other trading income in 2019 totalling £69,509 was all attributed to unrestricted funds.

**5. ANALYSIS OF EXPENDITURE**

	Raising funds £	Legal advice £	Community gardening £	2020 £	2019 £
Salary costs	12,459	49,088	22,743	84,290	72,567
Other staff costs	-	-	-	-	1,711
Volunteers expenses	-	206	411	617	895
Premises costs	10,364	5,700	5,700	21,764	20,220
Other direct project costs	-	-	2,277	2,277	6,882
Support costs (Note 6)	985	7,632	3,693	12,310	22,787
Governance costs (Note 6)	144	1,116	540	1,800	1,800
	<u>23,952</u>	<u>63,742</u>	<u>35,364</u>	<u>123,058</u>	<u>126,862</u>

Of the £123,058 expenditure in 2020 (2019 - £126,862), £99,673 was charged to unrestricted funds (2019 - £98,801) and £23,385 to restricted funds (2019 - £28,061).



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**NOTES TO THE ACCOUNTS (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

**6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's key activity undertaken (see note 5) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of staff time allocated to each activity.

	Support costs £	Governance costs £	2020 £	2019 £
Finance and administration staff	5,404	-	5,404	9,145
Communication and IT costs	5,135	-	5,135	7,795
Legal and professional costs	1,092	-	1,092	5,445
General office costs	678	-	678	402
Independent Examiner's fee	-	1,800	1,800	1,800
	<u>12,309</u>	<u>1,800</u>	<u>14,109</u>	<u>24,587</u>

**7. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	2020 £	2019 £
Independent Examination	<u>1,800</u>	<u>1,800</u>

**8. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL**

STAFF COSTS	2020 £	2019 £
Salaries	84,656	78,958
National Insurance	2,761	1,623
Pension contributions	2,275	1,131
	<u>89,692</u>	<u>81,712</u>

No employee had employee benefits in excess of £60,000 (2019 - £nil).

One Trustee received remuneration during the year of £4,614 (2019 - £21,004). This was an administrative error as the Executive Director was classed as a Director with the Charity Commission. This has since been amended. No Trustees received reimbursed expenses during the year (2019 - £nil).

The key management personnel of the charity comprise the Executive Director. The total employee benefits of the key management personnel of the charity were £31,147 (2019 - £23,320).

**9. STAFF NUMBERS**

The average monthly number of staff employed by the charity during the year was as follows:

Direct charitable work	3.1	3.3
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The average monthly number of persons employed by the company during the year was 7 (2019 - 7).

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**NOTES TO THE ACCOUNTS (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

**10. TANGIBLE FIXED ASSETS**

	2020 £	2019 £
<b>NET BOOK VALUES</b>		
Fixtures, fittings and equipment	1,435	2,869
Computer Equipment	2,596	
	<u>4,031</u>	<u>2,869</u>

**MOVEMENTS IN YEAR**

<u>Cost or valuation</u>	Opening Balances £	Additions £	Disposals £	Closing Balances £
Fixtures, fittings and equipment	20,777	-	-	20,777
Computer Equipment	-	3,461	-	3,461
	<u>20,777</u>	<u>3,461</u>	<u>-</u>	<u>24,238</u>
 <u>Depreciation</u>	 Opening Balances £	 Charge For Year £	 Disposals £	 Closing Balances £
Fixtures, fittings and equipment	17,908	1,434	-	19,342
Computer Equipment	-	865	-	865
	<u>17,908</u>	<u>2,299</u>	<u>-</u>	<u>20,207</u>

**11. DEBTORS**

	Total 2020 £	Total 2019 £
Trade debtors	3,834	2,544
Accrued Income	-	10,988
	<u>3,834</u>	<u>13,532</u>

**12. CREDITORS: amounts falling due within one year**

	Total 2020 £	Total 2019 £
Trade creditors	-	1,479
Accruals	2,846	3,210
Deferred Income (Note 14)	7,250	-
Other creditors	1,445	6,841
Taxation and social security	1,498	1,586
	<u>13,039</u>	<u>13,116</u>

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**FOR THE YEAR ENDED 31ST MARCH 2020**

**13. MOVEMENT IN FUNDS**

	Balance as at 01.04.19 £	Income £	Expenditure £	Balance as at 31.03.20 £
<b>Restricted funds:</b>				
Equipment	2,289	-	2,289	-
Legal Advice Service	-	21,096	21,096	-
	<u>2,289</u>	<u>21,096</u>	<u>23,385</u>	<u>-</u>
<b>Unrestricted funds:</b>				
General funds	53,347	95,620	99,673	49,294
<b>Total funds</b>	<u>55,636</u>	<u>116,716</u>	<u>123,058</u>	<u>49,294</u>

**Movement in funds – previous year**

	Balance as at 01.04.18 £	Income £	Expenditure £	Balance as at 31.03.19 £
<b>Restricted funds:</b>				
Equipment	-	6,200	3,911	2,289
The Grocers Charity	-	4,998	4,998	-
Legal Advice Service	-	19,152	19,152	-
	<u>-</u>	<u>30,350</u>	<u>28,061</u>	<u>2,289</u>
<b>Unrestricted funds:</b>				
General funds	76,800	75,348	98,801	53,347
<b>Total funds</b>	<u>76,800</u>	<u>105,698</u>	<u>126,862</u>	<u>55,636</u>

**Description, nature and purpose of restricted funds:**

- **Equipment** – Funding towards purchase cost of IT equipment.
- **Legal Advice Service** – Funding towards provision of free legal advice.

**Description, nature and purpose of unrestricted funds:**

**General funds:** General fund represents funds available to spend at the discretion of the Trustees.

**14. DEFERRED INCOME**

	Total 2020 £	Total 2019 £
Balance as at 1st April	-	-
Amount released to income in the year	-	-
Amount Deferred in the year	7,250	-
<b>Balance as at 31st March</b>	<u>7,250</u>	<u>-</u>

Deferred income represents income received in advance for 2020/21:  
Trust for London £7,250 towards salary costs of a welfare rights advisor

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**NOTES TO THE ACCOUNTS (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Tangible fixed assets	4,031	-	4,031	2,869
Net current assets	45,263	-	45,263	52,767
	<u>49,294</u>	<u>-</u>	<u>49,294</u>	<u>55,636</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS (PREVIOUS YEAR)**

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Tangible fixed assets	2,869	-	2,869	4,303
Net current assets	50,478	2,289	52,768	72,497
	<u>53,347</u>	<u>2,289</u>	<u>55,636</u>	<u>76,800</u>

**16. PENSION**

The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,275 (2019 - £1,131). Contributions totalling £445 (2019 - £258) were payable to the fund at the year end and are included in creditors.

**17. RELATED PARTY TRANSACTIONS**

During the year, the charity received rental income of £9,000 (2019 - £9,000) from The Migrant Law Partnership Ltd which Richard Bartram is the sole director.

There are no other related party transactions.

**18. SHARE CAPITAL**

The company is limited by guarantee and does not have a share capital divided by shares.

**19. OPERATING LEASE COMMITMENT**

At 31<sup>st</sup> March 2020, the Charity had annual commitments under non-cancellable operating leases as follows:

	<u>Land &amp; Buildings</u>	
	2020 £	2019 £
In One Year	18,000	18,000
Two to five years	34,008	43,008
Over five years	-	9,000
	<u>52,008</u>	<u>70,008</u>