

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	Muhammad Junade Zakir Fahad Ansari Adnan Aly
Charity number	1117924
Auditor	AGP Consulting Chartered Accountants & Statutory Auditor Q West Great West Road Brentford TW8 0GP

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

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HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

HHUGS work with some of the most vulnerable individuals and families throughout UK. Many may be unable to fully appreciate the deep impact of an arrest or raid upon an individual and their extended families. HHUGS are at the forefront here supporting these individuals through emotional, social and financial means, enabling them to become independent and be confident in wider society.

Our primary goal has not changed, but only has been further enhanced. We aim to relieve the financial and emotional hardship of UK resident families of detainees held in the UK and abroad, impacted by counter-terror and national security measures, through the provision of financial, pastoral and practical support.

The burden of an outstanding debt or additional financial cost of supporting a prisoner can be overbearing for a mother carrying the new found responsibility of single-handedly supporting her household. On top of this, some families may have suddenly been denied access to their bank accounts, including all savings. In other cases, as foreign nationals who have only recently settled in the UK, families have limited access to state welfare. In all cases, families face financial difficulty and struggle to cover the cost of living.

At HHUGS, we know that many families feel embarrassed, and reluctant to seek help for what seems like small, everyday necessities that were once so easily acquired. Because we realise the importance of preserving dignity, we start our help at the core of each household. We want them to live as normal a life as possible and therefore dedicate a significant amount of our support to catering for every day needs and necessities. More often than not, the most troubling hurdle in their lives centres around an insufficient income. To lighten the load, we provide financial support in the form of food and clothing shopping vouchers, direct payments to cover the costs of utility bills and rent, purchasing furniture items and appliances, bedding, phone bills, transportation costs, vocational and educational tuition, and debt relief.

Our financial support is tailored and bespoke to suit the specific needs of the individual beneficiary. Every beneficiary is important to HHUGS and every individual being supported in the right way, to uplift them through support, is one of our key objectives. In the past year we have continued to support over 200 families with financial or emotional support.

Living without the most basic of necessities can threaten to strip anyone of their independence and self-worth. At HHUGS, we seek to eliminate the humiliation that is often felt by many families struggling to survive. Our aim is to restore and preserve dignity through core support.

The pandemic taught us the harsh lesson of surrendering control. It significantly impacted the charity's operations and our ability to raise funds. However, with the help of our supporters and donors, we were able to adapt and continue to support families throughout this time.

In 2021, we returned to face to face activities, more resilient than ever, despite the fact that after almost two years living with the pandemic, it had been a tough ride. As a charity, we had a duty to continue to strive to serve those whom we support, however difficult the circumstances. The responsibility we bear to the families who depend on our services is what drove us. We worked tirelessly to evolve, adapt and to accommodate to the new normal so that we were still able to deliver. That drive was supported by generous supporters who donated, volunteers who energetically fundraised and others who enthusiastically gifted their time.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities

Who we are?

Helping Households Under Great Stress (HHUGS) is a UK registered charity. HHUGS work with some of the most vulnerable individuals and families throughout UK. Many may be unable to fully appreciate the deep impact of an arrest or raid upon an individual and their extended families. HHUGS are at the forefront here supporting these individuals through emotional, social and financial means, enabling them to become independent and be confident in wider society.

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Main Objectives

At HHUGS, we know that many families feel embarrassed, and reluctant to seek help for what seems like small, everyday necessities that were once so easily acquired. Because we realise the importance of preserving dignity, we start our help at the core of each household. We want them to live as normal a life as possible and therefore dedicate a significant amount of our support to catering for every day needs and necessities. More often than not, the most troubling hurdle in their lives centres around an insufficient income. To lighten the load, we provide financial support in the form of food and clothing shopping vouchers, direct payments to cover the costs of utility bills and rent, purchasing furniture items and appliances, bedding, phone bills, transportation costs, vocational and educational tuition, and debt relief.

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The Charity considers the guidance of the Charity Commission's on public benefit, when reviewing our aims and objectives and in planning our future activities.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The charity fulfil the public benefit requirement in some of the following ways, which is not only limited but:

- Providing funding for education and training
- Providing Counselling
- Providing Housing support
- Providing Mentoring support
- Providing Mental Health support
- Developing Partnership to restore Hope
- Providing Advice and Guidance where appropriate
- Relief of Financial Hardship

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

HHUGS manage most of the fundraising through some of the campaign management. This comes through the support of majority of the income from the community. The key element of the fundraising is 'community fundraising'. This is to ensure, maximum income, through transparent services provided for our families, so the community are clear on the need for effective spending. Some of the campaigns are as below:

Achievements and performance

Ramadhan Campaign

Ramadhan is a particularly difficult time for the families we support. For most of the community, Ramadhan is a time for families to reconnect, but many children with fathers in prison are deprived of these moments of togetherness. This time to customarily nurture spirituality is sadly particularly challenging for many of the mothers we support, who are preoccupied with their overwhelming financial burdens. Following the pandemic, with the rising costs of food, families struggle to make ends meet and spiral deeper into debt.

Vulnerable families desperately trying to cope with the anxiety, dread and pain of an uncertain future. The absence of a father can taint the days of celebration for many HHUGS families.

Due to this, HHUGS endeavours to make this time special for families by providing Ramadhan gift boxes, to bring joy to the families, remind them that they are not forgotten and spiritually uplift them, in a month in which they feel lonelier than most. Subsequently, we distributed 188 Ramadhan gift boxes, to 485 adults and 326 children across the UK, for a total of £7,098, each specifically chosen for them and age-appropriate.

Beneficiaries described it as feeling **“like a hug in a box! I’m so thankful.”**

“Overall an amazing box. The kids were overwhelmed and the games have been a hit.”

“Clearly someone made efforts to tailor gifts sets for every particular family. Everyone was very happy.”

“Thank you for the thoughtful gift box, it was opened with such excitement by myself and my son. Lovely gifts, May God shower His blessings and Mercy upon you all at HHUGS and reward you all immensely.”

Given the increased financial burden upon families in this time, we assisted fasting families prepare for Ramadhan by providing food packs or vouchers, to ensure they did not face food insecurity in the blessed month. A total of 251 recipients received food packs including adults and children, in addition to their monthly vouchers to cover their deficit, the majority preferring the independence and personal choice that came with food vouchers, with four receiving physical food packs. The food packs included staples ranging from rice and pasta, to dates to break their fasts.

The feedback from both the Ramadhan gifts, and food vouchers was overwhelmingly positive. Families were extremely grateful, and touched at the thoughtfulness and consideration of strangers who generously donated, and the team who worked hard to make it a success.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Eid Gifts

Children within HHUGS households are separated from their parent, and are unable to feel the joy as other children do normally on Eid. Eid is often just another day, as single mothers are unable to cook up a feast, or surprise them with gifts due to financial hardship. In households where food is scarce, gifts and new clothes are considered a luxury out of reach. HHUGS endeavours to provide children and families with gifts to lighten their load and bring joy to their young hearts.

HHUGS aim to restore the joy to the celebration of Eid, providing families with gift vouchers on the occasion of Eid al-Fitr, after Ramadhan, giving families the independence to choose a gift according to the child's age and interests. These allowed mothers to be autonomous in choosing gifts personally selected for their children; making it that extra bit special. We provided £13,085 to bring joy and boost the morale of families to 211 families, comprising of 731 individual adults and children, at a time when they feel most hardship, due to the separation from their loved ones and financial woes.

For Eid al-Adha, families were gifted Krispy Kremes and cakes, to bring a smile to their faces and make them feel the joy of Eid. Many of our families nationwide are isolated with no nearby friends or family to celebrate with or spend their Eid with. Providing a sweet treat was a gesture to remind the families that we celebrate with them. For those missing a family member on their table, or their presence in Eid festivities on the blessed day, we hoped that by sending an Eid gift to be a reminder of hope, love and family, offering a helping hand and warmth to those who are left alone, isolated and abandoned.

"Truthfully, the smiles your gifts bring to our faces is inexplicable. Receiving any gifts is pleasurable but receiving it from HHUGS holds so much meaning and depth. It's humbling and we are eternally grateful."

"My children wait for the gifts from HHUGS. I can see the happiness in their eyes."

A Return to Social Events

Due to the restrictions that the pandemic brought, we were unable to plan social events and activities for our families for over a year, besides the occasional coffee morning in the periods where restrictions were briefly relaxed. We knew our families were struggling with isolation, so our first return to in-person events was an outing organised for our Midlands families, where they could be able to spend time with other families and enjoy themselves.

This trip could only have taken place due to generous volunteer fundraiser who provided his minibus services pro bono, to families in Birmingham; many of whom had spent months isolated in lockdown.

With some still cautious due to the pandemic, 11 adults and 9 children ventured to Dovedale in the Peak District, most commonly known for the River Dove and limestone ravines. They had the opportunity to marvel at the most iconic part of Dovedale – the picturesque stepping stones.

"Thank you, a much-needed trip. Bonded with the kids, the long walks did us good."

The day out allowed HHUGS families a moment to feel normal, to enjoy time out in nature with their family and others in a similar predicament, enjoying the light of good company after months of darkness.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Qurbani Campaign

Qurbani is an Islamic ritual animal sacrifice taking place each year during the festival of Eid al-Adha. During this festival, most Muslims consider it is highly recommended to sacrifice an animal, and to distribute part or all of the meat that has been slaughtered to the poor and needy. Common practice sees the meat sent abroad, where millions of families are living in extreme poverty. But HHUGS encourages and facilitates the distribution of Qurbani meat to needy and poor families often overlooked in the UK. We underestimate the desperate financial constraints of families in the UK, especially those whose husband and main breadwinner is no longer able to support them. Our families at HHUGS are in dire need. As such, we facilitated the distribution of Qurbani meat to their homes, providing relief and solace to families who often have little to look forward to. We want families to forget their troubles for at least one day, enjoy a celebratory meal and share in the joys of Eid al-Adha.

"We are a large family of seven and very rarely eat meat, maybe a handful of times in a year as it is very expensive and unaffordable for us to eat. So to be able to enjoy some lamb on Eid was a rare pleasure for the entire family."

This year, we were overwhelmed with the response and exceeded our target and were able to distribute 2,491kg of mutton to 522 people (327 adults and 195 children) due to the generous donations of the community once again. 905kg was delivered by courier outside London, and 900kg (48 Qurbanis) was delivered in London by our dedicated volunteers, who gifted us their precious time to deliver meat to approximately 70 households in London.

The excess 35% was distributed as follows: 235kg went to Al Suffa Food Bank, 451kg went to Syrian and other refugee families in Shropshire, Abersyth and Cardiff, and the remainder was distributed amongst needy families by Masjid Al Falah (Birmingham).

Sometimes, people may not understand the huge impact it makes to the families. This includes changing the lives of people through gestures like this. Children beam in happiness as well as the pressure of mothers being lifted.

"In all honesty, I have virtually stopped purchasing meat as the cost to buy it, for my family of seven, is well beyond my means. I have been unable to gain employment and even retain a bank account, as they continually get closed down so a normal life has been very difficult. To receive Qurbani meat during this period of our lives was a huge blessing and one that everyone in my family appreciated. It was an amazing gift at a very difficult time. The children know that it was gifted to them by HHUGS and I've asked them to pray for all those that made it happen for all the families in need, from the donors to the people that delivered it to my front door and everyone in-between."

"Due to the expenses of meat, I don't buy it more than twice a month. It's not in my budget. This has allowed me to be able to give it to my five children. Honestly, it's saved money and such a blessing because it's something we have so rarely."

It offered single mothers suffering silently a brief respite, knowing that they were remembered this Eid.

"It's such a benefit to single mothers like me. Going through all of the raids and arrests of myself and my ex (husband). You have provided me stability and this is yet another gift you have given myself and my children. The horrors are always with you, but you help, as a blessing from God to settle my heart."

Eid Celebrations

Due to the pandemic restrictions, we held no in-person Eid events for over a year and were forced to postpone our Eid parties until the Autumn.

The HHUGS Eid parties offered a brief respite for these families. They provide an opportunity to try to detach from their burdens, enjoy themselves and socialise with families in similar situations to themselves, without the fear of judgement. The Eid party is a time where the children who have been longing to have fun, single mothers with nowhere to go, and families who have been strained with the affect of an arrest come together. Even if it is once or twice in the whole year, whether you are on the north side or south side of UK; everyone should be celebrating. This is one of the highlights of the year for many and HHUGS will continue to provide these events, with the support of the community.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

We held three parties, in Birmingham, Bradford for our families in Yorkshire and Lancashire, and finally in London. were surrounded by great food, great company, a bouncy castle, an opportunity to get your henna done and join in on a game of pass the parcel.

“(It was) lovely to get to meet other people who understand and (have) been through similar circumstances.”

“I had a good time, it was really fun, I enjoyed the company. I haven’t left the house in two and a half years.”

We provided entertainment in the form of a bouncy castle, games, a quiz and impromptu musical chairs. Children filled the hall playing games, mothers connected and bonded.

“My wife and kids made new friends and got to meet new and old ones, it was a blast.”

“This has brought much happiness, laughter and fun for my children and I.”

We would have been unable to organise these events without the generosity of our supporters and the volunteers who sacrificed their precious time and worked tirelessly to ensure the events were a success.

“It is a stress reliever, coming and meeting the HHUGS team and all the families they bring together. It’s a bonding experience for the families. We share our pains and happiness of the past years, and our hopes and aspirations for the future.”

Back to School Campaign

HHUGS children often live single parent households where the hard choice between food on the table or heating in the winter is a daily reality. When they outgrow shoes or school attire, their mothers struggle to afford new ones. Buying a uniform means can mean spending up to two thirds of their household income in August, or borrowing money to do so. A school uniform therefore becomes a source of anxiety for single mothers crushed under debts, and children who dread starting the new term in last year’s clothes.

With the average cost of a uniform is £337 per year for each secondary school child and £315 a year for each primary school child, for HHUGS families, already wrestling with uncertain finances, and the weight of debts, costly school necessities fast become another burden they cannot afford.

Research shows that a worryingly high number of children from the UK’s poorest families have reported bullying, as a result of not being able to afford basic school essentials. Some even suffer the humiliation of being sent home for wearing ‘incorrect’ attire.

HHUGS distributed £14,861 in support to our families to prepare them for the start of term, providing 92 children with new school uniforms and 84 with stationery and essentials, reducing their worries, and enabling them to focus on their education.

“My son didn’t have the uniform last year. The blazer is too expensive. He had my neighbour’s son’s old shoes and his clothes were second hand as well. Having brand new clothes is special.”

Having the correct uniform and the right stationery not only lifts the burden financially for HHUGS households but improves the confidence of young children in HHUGS families. Many children, already traumatised by their circumstances, would normally experience bullying due to not having the correct kit.

“My children have all of the equipment they need and won’t be teased about old, washed-out clothes.”

Thanks to the generosity of our supporters, the children can now go to school, without the fear of being the odd one out; wearing uniform that is old or torn, not having the correct equipment to study, or wearing shoes that no longer fit.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

“Our child was very happy that he has everything that other school children have. That he was able to wear new clothes and not have anxiety about wearing ill-fitting, worn out things.”

Every single one of the HHUGS families who received Back to School support in the past 4 years said it restored their dignity and reduced their worry and stress. 83% of our families rated the Back to School assistance a 10 on a scale of 1-10 in terms of helping them financially, and enabling them to stay out of debt.

“It’s so financially difficult to find money for four children’s uniforms and equipment. This has taken away the stress and struggle. All of my children will have what they need and I no longer have to worry about how I will find it.”

Winter Campaign

HHUGS families spend the year already struggling with living costs and precarious financial security.

When women have suddenly become single parents overnight, the impact of a husband in prison runs deep. Burdened by ongoing debts and rising fuel bills, they are forced to make the agonising choice between whether to ‘heat or eat’.

Homes that require repair and are not fuel efficient will mean single-parent households will battle home inadequate, icy and unliveable conditions during these Winter months.

Children already dealing with the ramifications of losing their father face the challenge of Winter with clothing and outerwear that cannot keep them warm and protected against the elements.

The absence of a father and husband leaves an unimaginable trail of mental, emotional, psychological and financial burdens for everyone in the family. These struggles are only exacerbated by the difficulties of the Winter months.

At HHUGS we believe that no one should suffer due to the harsh cold weather. Everyone deserves to be warm during winter. One of the key milestone of the year, is to provide winter support; a time where we hope that families do not have to choose between food and heating their homes. Now in its ninth year, our Winter campaign has continued to provide families with vouchers for warm winter clothing for children, blankets and heaters, and monthly stipends to cover the costs of heating bills. This way we ensured that the neediest received enough support to stay warm the entire winter.

Through the Winter campaign, we raised a total of £96,083 – more than £76,000 of which was attained through the efforts of volunteer fundraisers, either through virtual challenges or and community fundraising event challenges such as the return of our in-person Winter Walks, for the first time after the pandemic - Walking Through History London Winter Walk, Dovestone Reservoir Winter Walk in the Peak District, our combat archery Challenge, and the Brecon Beacon Waterfall Trek. Some of our supporters preferred to continue to raise funds virtually, adopting methods that had become popular during the pandemic.

This enabled HHUGS families are able to survive through the Winter period. HHUGS distributed £170,488 and provided Winter campaign support to 59 families, 125 adults and 108 children.

- £8,640 to clothe 108 children
- £5,675 to clothe 67 adults
- £1,748 for 108 duvets
- £1,011 on 24 heaters
- £19,967 on winter fuel
- £43,495 on rent to shelter families for the Winter months
- £76,290 to provide 70 families with food vouchers for the Winter months
- £13,661 to relieve debts

Even more so as temperatures dropped, single mothers could keep their children warm due to the campaign support provided

“Without HHUGS, this winter would have been difficult to get through. It was colder than we usually experience at this time of year so the heating was more expensive than is the norm.”

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

When families were asked to 'what extent has winter support provided by HHUGS helped you to stay out of debt?' (1= not at all, and 10= helped a lot), 100% said seven and above. This support helped break the cycle, and relieved the financial stress of vulnerable families.

"HHUGS for me is like water for the fish, I really can NOT survive without their help and support."

"The benefits are numerous to mention but for me and my family, HHUGS has been a pillar of support, without which we would have endured many hardships. God bless the donors and the entire team for all their continued support and hard work."

"I survive and I am here thanks to HHUGS"

Connecting Families

In an attempt to ease the burdens of our families and as part of our transport scheme, we facilitate prison visits. One of the most traumatic experiences that our families endure is visiting their loved one in detention. Not only do they have to worry about transportation, child minding and food and drink for the day, but they also witness their loved one in an alien, hostile and restricted environment. Entering a prison, undergoing fingerprinting, photographs, body searches and dog searches all contribute to the feeling of humiliation, causing many to feel as if they themselves have been convicted. Prison visits are also proven to help reduce re-offending rates and to rehabilitate prisoners.

To relieve the burden of prison visits, HHUGS strives to facilitate visits where possible, making it as smooth and easy as possible. We arrange for volunteers to collect the family from their doorstep and drive them to and from the prison. Saving energy and time, this allows the visit to become instantly easier. Though these visits were suspended during the pandemic, following the relaxation of restrictions we were able to provide this service again through the efforts of our volunteers.

Events

With restrictions easing in 2021, we welcomed the opportunity to engage our supporters through in-person event, to work together towards better lives for HHUGS families.

The Box Hill Trek was the first face-to-face challenge event hosted by HHUGS since the pandemic, attended by 115 women and children, raising a crucial £45,866.

Following the success of these hikes, we arranged two further women only hikes in October, to Virginia Water, Surrey, with 60 women raising £18,176; and the Ingleton Waterfall Trail in Yorkshire, with just 17 women raising £11,768 for the charity.

Winter saw the return of our combat archery challenge and winter walks in London and Bradford. In total, £76,000 was raised towards our Winter campaign through a combination of in-person physical challenges and virtual events.

Partner Events

Year on year, HHUGS endeavour to partner with other charities and organisations to bring better support platforms for the families. Whether this is to sign post or join in fundraising activities to raise funds for our families, HHUGS are always certain to join.

One of the key events of the year through our partners is the Al Noor Dragon Boat Race. This is a fun family event that involves around 20 charities, all striving to raise funds for their beneficiaries. This was the second year that HHUGS participated.

After enduring a Winter of lockdown and restrictions, it was perfect to be outdoors, surrounded by family and friends and the wider community, all to raise funds whilst having a blast. We raced against other charity organisations who came out in full force to compete.

Together we raised £8,919 to support the ever growing families who require urgent assistance.

We similarly took part in the community event, Muslim Charity Run, to raise funds for the families.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Partnership

HHUGS have teamed up with various charities and platforms to enable the correct and tailored support and advice is provided to the charity which can be directed towards the beneficiaries. This does not only include financial assistance to support the ever growing 230+ UK families but also direct guidance where appropriate in the delivering of excellence service in the charity industry to our beneficiaries.

HHUGS have also worked with many different organisations to help us raise much needed fund through your support. We have been fortunate to receive grants once again from Ummah Welfare Trust as well developing new partnerships with Global Relief Trust and One Nation, who awarded grants of £5,000 and £10,000 respectively.

Through our restaurant project, we have collectively raised almost £4,000 for the families. This would not be possible without the ongoing support from our existing and developing partners as well as the community.

Rebuilding Lives, Restoring Honour

Being released from detention is a shock to the system in many ways. With no job, in some cases a criminal record, few qualifications, a strained marriage and family relations and the unforgiving stigma of having been detained as a terror suspect, the former detainee or prisoner has a harsh reality to face.

At HHUGS, we understand the importance of resettlement and reintegration into society and this is why we offer several services designed to ease the transition from prison to normality. We have provided business loans to those with viable business plans, educational scholarships, family or anger management counselling, housing advice, rental contributions and counselling schemes upon release from custody. When something ends, something new can blossom.

Financial review

Overview

We continue to enjoy the support of our donors for our work to alleviate stress and hardship and bring a lasting change to the lives of our beneficiaries.

The charity received donations & grants totalling £1,388,432 (2021 - £950,894 After outgoing expenses of £1,216,602 (2021 - £ 804,489), the charity was left with a surplus of £336,876 (2021 - £165,046) carried forward at the year end.

The operating surplus for the year was £172k (2021 - £146k). This is the total of the amount on the SOFA. The continued operating surplus is the result of the additional income generated due to the various campaigns. The related expenditure was not matched comparatively which has led to a surplus in funds for restricted funds. This was due to the timing of Ramadan coming early in the year in terms of collections and expenditure was made within 12 months if Ramadan which fell after the year end.

Due to the nature of the charity complying with Islamic investment principles there is no set investment strategy. In the previous year, a surplus of that level was not anticipated but it was an area the trustees looked into and funds were utilised and expenditure was more in line with funds raised.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustee consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Reserves are set according to our budgeted income and against our obligations for continuous funding for supported charitable projects. It is intended to mitigate uncertainty relating to our cash flow and to ensure that there are sufficient reserves to cover any shortfalls against income. The reserves policy is only acted on when cash flow permits.

The Trustee have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

Engagement

During the pandemic, the charity moved to online gatherings via webinars, which had a core group of attendees nationwide on a monthly basis. Since the lockdown was lifted, the charity has endeavoured to revive the coffee morning programme but with varying success, given a move away from face to face events.

In 2022-2023, the charity aims to build on the social gatherings by offering further structured virtual engagement programmes, with additional elements and themes, with external hosts, delivering training in their areas of expertise. This is an effort to improve attendance and engagement, and benefit the beneficiaries by empowering them with additional skills. The charity will run a series of 12 weekly relationship and emotional well-being coaching sessions for with a professional therapist and coach. In the run up to Ramadhan 2023, the charity will run a similar series of workshops as Preparation Sessions with an external community faith teacher.

Financial Capability Programme

Whilst HHUGS hitherto has focused on providing grants to beneficiaries and providing more informal budgeting advice and signposting for benefits, the charity has for some time aimed to ensure that beneficiaries have access to sufficient resources and training to ensure that they have far greater financial capability. Ensuring the beneficiaries are well equipped in managing their money will further strengthen their ability to be debt free and enable them to spend according to their needs.

To this end, caseworkers have undertaken training in benefits, debt management and will undertake further training in money management, giving them the tools to provide the best support and solutions for families that are struggling with their finances. We will also partner with existing third party experts in this area to provide the best form of coaching and training to beneficiaries.

The charity also intends to apply for the relevant authorisation so that we are licensed to provide debt counselling and debt adjusting and have sufficient supervision to offer these services in future. This will enable us to provide debt advice formally to beneficiaries and to take a more pro-active approach to debt, contributing to the overall progression of our beneficiary services.

Resettlement

Hitherto, predominantly the services of the charity were designed and best served the family members of the prisoners, and particularly those most vulnerable, such as the wives or elderly parents of detainees. In relation to the charity endeavouring to address the holistic needs of the beneficiaries, the charity has intended to develop a stronger resettlement programme for prisoners upon their release, to enable more effective integration back into the family and also within the wider society.

This would involve extensive research and discussions with prisoner support and ex-offender organisations who offer such services presently. It will eventually comprise of developing print and digital resources to help them transition back into society, integrating into the home and help prepare and equip them to deal with the challenges they will face upon release

In preparation for this, the staff will first undertake an audit of our current risk assessment process. We will be developing a digital system to process our risk assessments from beneficiaries and ensure all risk assessments for former detainees are up to date before out-rolling these services.

Parenting Programme

In relation to this, we will be partnering with Imperial College London on a programme called 'Fathers Together'. The partnership will be on a co-study, exploring how to better support young fathers in prison and their families. The development of this parenting programme draws on the work that HHUGS facilitates in improving the family relations and wellbeing of Muslim families that have been left with an empty seat in their household as a result of the arrest.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Volunteering Programme

Since its inception, HHUGS has established a database of over 1,600 volunteers around the UK. Over time, the charity volunteer scheme has been impacted heavily, something we have not been alone in experiencing but felt across the wider charity sector. HHUGS aims to revitalise its HHUGS volunteer programme which builds bridges between the community and the charity service users.

The volunteer programme and strategy will allow the charity to maintain active volunteers in all departments, ensuring cost saving for the charity, increase in brand awareness and also increase in income generation that will be reinvested in the charity. Furthermore, this will allow the community to be more involved in and more aware of the charity, but also provide them skills and experiences which they can add to their CV, leading to a more meaningful volunteering experience.

Outreach

As part of engaging the wider public and furthering awareness for the charity, HHUGS are developing programmes for university societies to engage student bodies as well as community youth groups and a school programme.

Social Enterprise

One of the core aims of the charity is to develop more sustainable forms of income and reduce the reliance upon only community fundraising as a stream of funding. . In relation to this, the charity will be launching a partner arm as a social enterprise. This innovative new approach will allow the charity to fulfil the obligations that it set for the beneficiaries

Partnering with one of the leading clothing trading firms in Ghana, the aim will be to develop more sustainable methods of raising funds for the charity.

Legacies

In an effort to further diversify our income streams, one of the charity aims is to set up a legacy programme of our own to further support our existing and ever-growing base of beneficiaries
HHUGS will be working with one of the largest Islamic finance groups in the UK to deliver will writing services, hosted on our website. Through specialist support and our own lawyers, members of the public will have the opportunity to create and formalise their will for free, with the option of covering the cost of the will and to leave a gift for the charity in their bequest.

These gifts will allow us to run our existing core services as well as allowing us to further develop our future programmes of financial capability, resettlement, empowerment and youth programmes. The gifts will also enable us to finance long term investments like our social enterprise.

Structure, governance and management

The charity is an unincorporated charity, registered with the Charities Commission under the number 1117924 and was established under a declaration of Trust dated 8 June 2006 as amended on 10 June 2008.

The Trustee who served during the year and up to the date of signature of the financial statements were:

Muhammad Junade Zakir

Fahad Ansari

Adnan Aly

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The Board of Trustees, elected by the Members of Association at the Annual General Meeting, are the charity's trustees and the legal directors of the company. Members of the Board of Trustees serve a three-year term, after which they are eligible for re-election. New trustees are selected through an open recruitment process, which generally includes advertising in the national press and online, and a targeted recruitment search. New appointees are given a personal induction programme tailored to their areas of expertise and governance obligations, and all trustees are provided with a range of training opportunities to help them meet their responsibilities. The balance of trustees is kept under review regarding skills, diversity and geographical spread. The Board of Trustees also places particular emphasis on appointing individuals who bring specific identified skills and experience.

The Board of Trustees met five times for scheduled meetings in 2021/22 and holds occasional meetings for exceptional business if necessary.

During the year several additional meetings were held to address the impact of the COVID-19 pandemic and agree the steps to be taken to mitigate the risks to the charity.

The balance of trustees is kept under review regarding skills, diversity and geographical spread. The Board of Trustees also places particular emphasis on appointing individuals who bring specific identified skills.

A written schedule of matters is reserved for decision by the whole Board of Trustees, including:

- the formulation and implementation of strategy
- overseeing the implementation of the strategy through annual operating plans and budgets
- monitoring progress
- accepting ultimate responsibility for the sound professional, legal and financial management of the charity.

To deliver our charitable aims and to meet the needs of our beneficiaries and other stakeholders, The Charity employs a significant number of colleagues alongside the vital support that our volunteers provide.

We recognise and value the unique worth and contribution of every colleague and are committed to ensuring that we pay our colleagues a fair and appropriate salary informed by the local labour market, while always making sure we can do so.

It is the Trustee's responsibility to consider the remuneration and set the pay policy for all staff and agree the basis for any annual increases in pay.

The trustees' report was approved by the Board of Trustee.

Muhammad Junade Zakir
Trustee

Fahad Ansari
Trustee

Adnan Aly
Trustee

31 January 2023

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

Opinion

We have audited the financial statements of HHUGS - Helping Households Under Great Stress (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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.

Emphasis of matter - Prior Year Unaudited

The Prior Years financial statements for the year ended 31 March 2021, were below the audit threshold and as such did not require an audit, to this extent no work was carried out to give assurance on the prior years financial statements. The opening balances were verified as part of the audit for the current year.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the statement of trustees' responsibilities, the Trustee 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 Trustee 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 Trustee are responsible for assessing the charity'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 Trustee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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 an auditor's report 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the financial reporting framework, the Charities Act 2011 and the relevant tax compliance regulations.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection, health and safety legislation and fundraising regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

We understood how the Charity is complying with those frameworks by making enquiries of management, staff and consultants and those responsible for legal and compliance procedures. We corroborated our enquires through our review of minutes and papers provided by the Trustees of the Charity.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

Audit procedures performed by the engagement team included:

- discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, the Charity Commission for England and Wales.
- assessing the design and implementation of the control environment to identify any areas of material weakness to focus the design of our testing;
- reviewing any items included in the Charity's fraud and theft register;
- verification of a sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular journals posted by senior management or with unusual account combinations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Forhad Ahmed (Senior Statutory Auditor)
for and on behalf of AGP Consulting

Chartered Accountants

Statutory Auditor

AGP Consulting
Chartered Accountants & Statutory Auditor
Q West
Great West Road
Brentford
TW8 0GP

31 January 2023

AGP Consulting is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	534,741	853,691	1,388,432	631,342	319,552	950,894
Expenditure on:							
Raising funds	4	173,691	-	173,691	72,433	-	72,433
Charitable activities	5	449,576	593,335	1,042,911	412,504	319,552	732,056
Total expenditure		623,267	593,335	1,216,602	484,937	319,552	804,489
Net (expenditure)/income for the year/							
Net movement in funds		(88,526)	260,356	171,830	146,405	-	146,405
Fund balances at 1 April 2021		165,046	-	165,046	18,641	-	18,641
Fund balances at 31 March 2022		76,520	260,356	336,876	165,046	-	165,046

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		389		425
Current assets					
Debtors	11	155,496		1,000	
Cash at bank and in hand		240,784		186,590	
		<u>396,280</u>		<u>187,590</u>	
Creditors: amounts falling due within one year	12	<u>(59,793)</u>		<u>(22,969)</u>	
Net current assets			336,487		164,621
Total assets less current liabilities			<u>336,876</u>		<u>165,046</u>
Income funds					
Restricted funds			260,356		-
Unrestricted funds			76,520		165,046
			<u>336,876</u>		<u>165,046</u>

The financial statements were approved by the Trustee on 31 January 2023

Muhammad Junade Zakir
Trustee

Fahad Ansari
Trustee

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	15		54,287		145,796
Investing activities					
Purchase of tangible fixed assets		(93)		-	
		<hr/>		<hr/>	
Net cash used in investing activities			(93)		-
Net cash used in financing activities			-		-
			<hr/>		<hr/>
Net increase in cash and cash equivalents			54,194		145,796
Cash and cash equivalents at beginning of year			186,590		40,794
			<hr/>		<hr/>
Cash and cash equivalents at end of year			240,784		186,590
			<hr/> <hr/>		<hr/> <hr/>

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 4th Floor, 43 Berkeley Square, London, W1J 5FJ, ENGLAND

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by 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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustee continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustee in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1.7 Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, 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.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	534,741	781,569	1,316,310	631,342	281,552	912,894
Grants receivable	-	72,122	72,122	-	38,000	38,000
	<u>534,741</u>	<u>853,691</u>	<u>1,388,432</u>	<u>631,342</u>	<u>319,552</u>	<u>950,894</u>

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
<u>Fundraising and publicity</u>		
Advertising	133,962	45,247
Other fundraising costs	39,729	27,186
	<u>173,691</u>	<u>72,433</u>
	<u>173,691</u>	<u>72,433</u>

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activities

	Helping Households 2022 £	Helping Households 2021 £
Staff costs	98,253	60,677
Depreciation and impairment	129	-
Counselling	6,779	1,059
Financial Support	562,814	353,242
Empowerment	816	1,035
Living expenses	28,150	22,300
Education	19,820	3,800
Practical	50,858	39,232
	<u>767,619</u>	<u>481,345</u>
Share of support costs (see note 7)	187,923	133,456
Share of governance costs (see note 7)	87,369	117,255
	<u>1,042,911</u>	<u>732,056</u>
Analysis by fund		
Unrestricted funds	449,576	412,504
Restricted funds	593,335	319,552
	<u>1,042,911</u>	<u>732,056</u>

6 Description of charitable activities

Helping Households

Supporting families - this is the main activity of the charity and funds are raised through donations, gifts and grants. There are various different types of expenditure in fulfilling this activity.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	156,163	-	156,163	114,013	-	114,013
Office Rent	10,744	-	10,744	6,727	-	6,727
Training	2,761	-	2,761	1,435	-	1,435
Telephone	2,104	-	2,104	2,201	-	2,201
General office expenses	16,151	-	16,151	9,080	-	9,080
Audit fees	-	9,600	9,600	-	-	-
Legal and professional	-	29,759	29,759	-	28,280	28,280
Professional fees	-	45,656	45,656	-	86,321	86,321
Independent examiners fees	-	2,200	2,200	-	2,500	2,500
Bank charges	-	154	154	-	154	154
	<u>187,923</u>	<u>87,369</u>	<u>275,292</u>	<u>133,456</u>	<u>117,255</u>	<u>250,711</u>
Analysed between Charitable activities	<u>187,923</u>	<u>87,369</u>	<u>275,292</u>	<u>133,456</u>	<u>117,255</u>	<u>250,711</u>

Governance costs includes fees to the auditors of £9,600 (2021- audit exempt) for audit fees.

8 Trustee

One of the trustees, Adnan Aly received fees during the year for professional services amount to £27,563 (2021 - £28,068)

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Admin and operations	<u>9</u>	<u>9</u>
Employment costs	2022 £	2021 £
Wages and salaries	236,961	158,498
Social security costs	15,159	13,554
Other pension costs	2,296	2,638
	<u>254,416</u>	<u>174,690</u>

There were no employees whose annual remuneration was more than £60,000.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Tangible fixed assets

	Computers £
Cost	
At 1 April 2021	11,265
Additions	93
	<hr/>
At 31 March 2022	11,358
	<hr/>
Depreciation and impairment	
At 1 April 2021	10,840
Depreciation charged in the year	129
	<hr/>
At 31 March 2022	10,969
	<hr/>
Carrying amount	
At 31 March 2022	389
	<hr/> <hr/>
At 31 March 2021	425
	<hr/> <hr/>

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	133,446	-
Other debtors	1,000	1,000
Prepayments and accrued income	21,050	-
	<hr/>	<hr/>
	155,496	1,000
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	13,293	-
Trade creditors	24,900	7,227
Accruals and deferred income	21,600	15,742
	<hr/>	<hr/>
	59,793	22,969
	<hr/> <hr/>	<hr/> <hr/>

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	389	-	389	425	-	425
Current assets/(liabilities)	76,131	260,356	336,487	164,621	-	164,621
	<u>76,520</u>	<u>260,356</u>	<u>336,876</u>	<u>165,046</u>	<u>-</u>	<u>165,046</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2021 - none), other than fees paid to Adnan Aly.

15 Cash generated from operations

	2022 £	2021 £
Surplus for the year	171,830	146,405
Adjustments for:		
Depreciation and impairment of tangible fixed assets	129	-
Movements in working capital:		
(Increase) in debtors	(154,496)	-
Increase/(decrease) in creditors	36,824	(609)
Cash generated from operations	<u>54,287</u>	<u>145,796</u>

16 Analysis of changes in net funds

The charity had no debt during the year.