

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	Muhammad Junade Zakir Fahad Ansari Adnan Aly
Charity number	1117924
Auditor	AGP Consulting

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

CONTENTS

	Page
Trustees' report	2 - 11
Statement of trustees' responsibilities	1
Independent auditor's report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 28

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

INTRODUCTION

At HHUGS, we know that many families feel embarrassed, ostracised, and reluctant to seek help for what seems like small, everyday necessities that were once so easily acquired.

We understand and realise the importance of preserving dignity. We start our help with understanding what each family needs, we want to help them live a normal life as possible, therefore the need for each of our families is bespoke and support is tailored to suit the specific needs of the individual beneficiary.

Largely, the main obstacle for our families is trying to navigate their lives with insufficient income or funds, unable to live even hand to mouth. Living without the most basic of necessities can threaten to strip anyone of their independence and self-worth.

In the past year we have continued to support over 225 families.

Our aim is to restore and preserve dignity through core financial support. We extend our aid by offering emotional and pastoral support. To lighten the burden, 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.

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 financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's declaration of Trust dated 8th June 2006 and amended on 10th June 2008, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Who we are?

HHUGS is a UK registered charity that provides financial, pastoral, and practical support and advice to households impacted by counterterrorism, national security and extremism-related laws, policies and procedures, in the UK and abroad. HHUGS have supported over 380 families since its establishment in 2004. These are families that have been impacted by a member of the household being detained, which devastates the daily lives of the families, with over 80% of the individuals being women, children and elderly, of state pension age.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Public Benefit

The trustees recognise their obligation under Section 4 of the Charities Act 2011 to follow the Charity Commission's general and relevant sub-sector instructions on public benefit.

All activities undertaken by the Charity are for the public benefit. With a focus on providing financial, emotional support, empowerment and rehabilitation support. The Charity's operation is geared towards improving the lives of the families impacted as is highlighted by the activities reported herein.

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

- Relief of Financial Hardship
- Providing Housing support
- Providing funding for Education and Training
- Providing Counselling
- Providing Mentoring support
- Providing Mental Health support
- Providing social and recreational activities

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

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. NCVO have reported a decline in volunteers supporting charities of an estimated all-time drop of 19% in 2021 compared to previous years. With changes in staff and the cessation of in-person events for a time, we have equally found it difficult to engage volunteers in the same way as we once did, in a now post pandemic era.

HHUGS has begun to revitalise its HHUGS volunteer programme which builds bridges between the community and the charity service users. We undertook a volunteer audit, ascertaining recent and accurate levels of interest from historic volunteers and assessing that against the needs of the charity, cleansing our database, ensuring all reference checks are made. We have reviewed the volunteer strategy in an attempt to revitalise our volunteer network, looking at measures to engage and improve the overall volunteer journey and stewardship experience within the charity to attract and retain high caliber volunteers. In the process, we have reviewed and revised our induction and training processes for frontline beneficiary support volunteers and to develop a strong induction process for our general volunteers, delivering weekly and monthly inductions throughout Autumn and Winter 2022-2023. With more engaged and fully trained volunteers, key programmes will proceed again such as renewed frontline 1-2-1 support through keyworkers, the introduction of male keyworker befrienders and youth mentors.

The charity aims to improve its outreach and income generation activity across the UK, particularly by trying to attract new volunteers through student networks.

The volunteer programme and strategy allows 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.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

We delivered the following support to our beneficiary this financial year:

- Food and clothing vouchers - £467,263
- Utilities - £60,712
- Rent - £122,852
- Empowerment - £32,503
- Debt Relief – £13,892
- Therapy - £5,994

CAMPAIGNS

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:

Ramadhan Campaign

The absence of a loved one is not felt more so than at times of family and religious celebration. Ramadhan, the annual Islamic month of fasting ending with a festival called Eid al-Fitr, 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. 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. Our families can become increasingly lonely, isolated and depressed. Remembering the good years that have passed before, they now face the daunting task of spending Ramadan alone or without their loved ones, children without one of their parents.

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. We provided 352 adults and 186 children Ramadhan gift packs.

Beneficiaries described gave us the following types of feedback

"JazakAllah Khair for the gift box. There was something for everyone inside it. All my children were happy. May Allah ta'ala shower you all with his mercy and blessings and screen you on the Day of Judgment for making life that much easier for the prisoners' families. Ameen. You sure know how to brighten up a family's day when they are struggling."

"JazakAllah Khair for the gift box. There was something for everyone inside it. All my children were happy."

Given the increased financial burden upon families during this period, we assisted fasting families prepare for Ramadhan by providing 68 families, 265 recipients, with food pack vouchers, equivalent to £6660 to ensure they did not face food insecurity in the blessed month.

We also provided 173 of our families vouchers (total £12,500) to purchase gifts for Eid al-Fitr, this is a total of 625 recipients. This allowed our mothers and fathers the opportunity to restore the joyous gift giving for their children but also for the parents to receive a gift from HHUGS where they are typically forgotten.

We also organised social gatherings, giving our families a chance to break their fasts with others who may be in similar situations as themselves, as well as Eid parties to celebrate the end of the holy month. Our 4 Eid Parties, last year, were attended by 458 people across London, Bradford and Birmingham. As one sister remarked, "It was the first time I've been able to socialise comfortably in many years."

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Qurbani

Qurbani is an Islamic 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, reviving a neglected practice, recommended in our faith. Many 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. Last year we distributed over 2063kg of meat in total; which was distributed amongst 545 people – 358 adults and 153 children in 213 HHUGS families.

“Since our loved one was arrested last year I’ve had to cut right back on extras like meat because there are many additional demands now on our low income, sending him money for phone calls and other essential items, travel costs to visit him, his clothing, books, paying off his bills etc. Having meat again in the freezer is something we will all benefit from during the months ahead and at each meal we will remember HHUGS and all those who donated to HHUGS for this generous gift.”

Similarly to last year, HHUGS wanted to make sure Eid is a special day for our families. We selected a box of mini Brownies as a sweet treat for our families (nut free and wheat free options were available) for Eid Ul Adha. The Eid treat was sent to 179 families.

“It’s such a thoughtful gift to give to struggling families. The brownies were amazing. The kids loved them.”

Back to School

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 can mean spending up to two thirds of their household income in August, or borrowing money to do so. 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.

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.

HHUGS distributed £18,407, providing 86 children in 40 households with school uniforms and essential stationery and learning resources. For families already on the breadline, the cost of living crisis brings with it further stress and anxiety, so the added cost of going back to school can push them to the edge.

“The time before back to school is the hardest time for me. I am very grateful for the help that HHUGS gave us. My kids are going to be able to have nice clothes and shoes for school Alhamdulillah.”

“Having moved areas and schools, I don’t know how I would’ve managed without the help from HHUGS.”

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Winter

Winter is a challenging time for the HHUGS families, already in a financially difficult situation but now having to brace themselves for the rise of energy bills, expensive winter clothing and bedding in the hope to keep themselves and family warm. Unable to afford their energy bills or buy additional clothes, our families often have no choice but to refrain from using the heating or else cut back on food.

Our Winter campaign is our main campaign that runs from October to February, this year we provided warm winter clothes, warm bedding, radiators reflectors and heaters as well as monthly stipends to cover the costs of heating bills, varying our stipends in accordance with the financial status of each family.

HHUGS distributed £219,529 support to families, adults and children this Winter:

- £28,502 in fuel support for 44 families in need.
- £19,767, providing 61 families with clothing vouchers.
- £494 providing 33 families with draught excluders to protect their homes against the chill.
- £767 to maximise energy efficiency for 34 homes by providing radiator reflectors
- £1,032 to provide 24 families with heaters
- £1,600 to protect 37 families with winter duvets
- £29,756 to shelter 12 families throughout the Winter.
- £102,901 to feed 70 families during the Winter months.
- £34,709 to relieve their debts in this period.

"When their Dad is imprisoned, at the very least you want to provide warm clothing, food and a warm house to comfort your children. My children often fall ill with runny noses without the heating. So for HHUGS to have helped us this winter to keep warm has been such a huge relief. To be able to get fleecy pyjamas and warm bathrobes for the children has helped so much."

Other Programmes

- **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.

- **'Fathers Together' in Partnership with Imperial College London**

We aim to work in partnership 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. This project hopes to draw on and present the experiences of prisoners, family members, ex-offenders and staff at HHUGS to provide valuable insight that will help produce the programme. We hope that this partnership allows us to prevent and mitigate the many adverse experiences that offenders and ex-offenders supported by HHUGS have, and support them in reintegrating with their families, communities and wider society.

- **International Committee of the British Red Cross**

HHUGS has had previous interactions with the ICRC to support and refer families that would be best supported by the services and programmes that HHUGS offers. ICRC has developed their work in the past few years especially in working to protect and assist people that have been affected by conflict and other situations of violence. They are currently visiting prisons in England and Wales, in order to evaluate the conditions of detention and treatment of people, specifically people that have been convicted of terrorism or held under counter terrorism powers. We were able to further discuss the work and support that HHUGS can offer the case studies and referrals that they may refer to HHUGS. We also discussed how to spread the work that HHUGS does, and how we can benefit the families of individuals that have been detained in UK prisons due to counter-terror charges.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

- **Confidence sessions with Life Coach Nasima**

HHUGS partnered with Life Coach Nasima in September 2022 for a 12 week programme set out to provide our mothers and sisters with skills and advice to use in their normal day to day life. The programme was held for 1 hour on a weekly basis over a course of 12 weeks. Each session varied and covered a range of topics from strengthening one's spiritual relationship to dealing with difficult times and burdens. Q&A's were held at the end of each session, which often resulted in healthy discussion. The beneficiaries were eager to attend these sessions and grateful for the safe space provided.

In the run up to Ramadhan 2023, the charity ran a similar series of online workshops as Preparation Sessions with an external community faith teacher.

Fundraising Events

Hampstead Heath Winter Walk

As part of our Winter campaign, we also encourage our supporters, our generous community to understand the hardship our families will experience once the cold weather arrives. Our annual flagship Winter Walk returned once again in 2023, this year organised in Hampstead Heath but this was also our 10th year. As the UK faces a cost of living crisis, with inflation at a 40 year high and energy prices rocketing, vulnerable families will struggle through this season. With an energy hike in October 2022, nearly 7 million households will suffer from fuel poverty. These escalating costs are felt most harshly by HHUGS families, who were already facing immense financial challenges. We had over 100 participants. The walk was well received, the supporters and participants networking and building relationships with similar minded people was heartwarming and inspiring. It also proved positive with the funds raised to support our HHUGS families; we're pleased to say as a result of our participants' dedication, we raised £15,470, who walked in the shoes of our beneficiaries and embraced the cold.

St Ives Winter Walk

Our North walk was organised at the beautiful site of St Ives Estate, Harden. The park has Grade II listing in the English Heritage National Register of Historic Parks and Gardens of Special Interest. For the nature lovers, it's a wildlife destination with a mix of wooded areas, pine plantations, meadows, moorland and ponds. We were joined by over 40 brave individuals who completed the hike and raised a total of £5,290! They were able to enjoy stunning scenery, and the satisfaction of helping others.

Partner Events - Al Noor Boat Race

Year on year, HHUGS endeavour to partner with other charities and organisations to bring better support platforms for the families. The opportunity to partner with Al Noor was an opportunity to increase HHUGS profile within the charity sector but also as a networking opportunity to share knowledge with other charities. The Al Noor Dragon Boat Race is one of the key charity events amongst our community. It is a family fun day that involves approximately 20 various charities competing and striving to raise funds for their beneficiaries and passionate causes. This was the second year that HHUGS participated. Together we raised £7,733 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.

Legacies

In an effort to further diversify our income streams, the charity has set up a legacy programme to further support our existing and ever-growing base of beneficiaries. We have partnered with Islamic Finance Guru, one of the largest Islamic finance groups in the UK to deliver will writing services, hosted on our website. Through specialist support, members of the public now 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.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Grants

HHUGS have teamed with two of the largest charities to work together and develop a strong partnership in delivery support and aid to our beneficiaries where needed.

We have been fortunate to receive grants once again from Ummah Welfare Trust as well securing Global Relief Trust as our ongoing grant partners. In total, we received £55,000.

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 £1,300,137 (2022 - £1,388,432) After outgoing expenses of £1,412,582 (2022 - £1,216,60) and a gain of £228,661 on investment revaluation, the charity was left with a surplus of £45,522 (2022 - £336,876) carried forward at the year end.

The operating surplus for the year including the gain on investment was £109k (2022 - £172k). 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 of 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 Trustees 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.

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 Trustees 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 2023

Plans for future periods

Engagement

In 2023-2024, 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.

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.

Resettlement

To ensure former prisoners are fully supported and equipped upon their release and to engage in society, we intend to further develop the Resettlement Programme. The aim will be to ensure former prisoners are equipped with the right tools in order to be independent and confident enough to transition, reintegrate positively and give back to society, with the ultimate goal of being self-sufficient and independent from the charity's services.

This will include, but not limited to; CV support, interview preparation and application support. The delivery will vary over short workshops to long term coaching and support, where appropriate.

Empowerment Programme

Similarly, in parallel to the resettlement programme and with similar objectives, the charity aims to develop a stronger empowerment programme for its female beneficiaries. This largely consists of either single mothers or those with husbands detained indefinitely, in many cases with limited education, minimal work experience, and subsequently lacking in self-esteem and confidence when now faced with the prospect of managing without their male counterparts. Some of the women face language barriers too, making it extremely difficult for them to become independent and integrate into the wider society.

Through the HHUGS empowerment programme, we aim to ensure the women are afforded with the right tools and experiences to be confident enough to be independent and manage their household. The aim will be to develop their independence and become self-reliant practically and self-sustainable financially.

Youth Mentoring

The charity intends to roll out our Youth Mentoring programme, which was developed in previous years by staff following training by the XLM Project, who have trained hundreds of mentors and youth people, and now train organisations (mainly churches) to carry out similar training. Through weekly meetings with an assigned volunteer mentor, and adequate supervision from staff, the programme will provide an effective tool for developing long-lasting and consistent relationships that have an impact on vulnerable young people and their families. It aims to provide young people with individuals in their lives who they trust, and empower them to set goals and work hard to achieve them. The programme will also provide recreational activities and events for young mentees and mentors to meet.

This project was launched as a pilot initiative, but was impacted considerably by COVID-19, with obstacles arising, in terms of recruiting and training mentors, as well as matching them with mentees and being able to establish a fulfilling relationship with youth, due to the lockdown. Whilst numerous volunteer applications were received following that time, given staff turnover and the demands of a small team, the charity has not had sufficient resources to match the demand. By recruiting additional staff in 2022-2023, undertaking further safeguarding training, and strengthening our internal policies and volunteering programme, as well as building relationships with other partners who can assist in the event of any issues that may arise, we hope to be able to start training volunteers and matching them with beneficiaries in the coming year.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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. This will aim to develop relationships in the community, to bring a new audience to the charity. The charity has developed a series of workshops tailored for different Key Stages of the curriculum and assembly plans. This will also allow us to raise awareness for the specific difficulties that the beneficiaries face, and equally to highlight wider related issues such as UK poverty, isolation, mental health, the importance of charitable giving and service to others. Building on our first interactive workshop for students, the aim for the coming year is to reach out to other student societies on campus across the UK, and to schools, starting in areas with a high percentage of BAME students or in faith-based schools in the London region. We will be looking at building relationships and delivering presentations to students and launching inter-school/inter-youth group fundraising competitions.

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. Despite efforts to diversify and excluding the £65,000 per annum that we currently receive in grants, HHUGS relies almost entirely upon community fundraising and individual giving to sustain our services, which is far from ideal. 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. The aim will be to set up a CIC, in the model of a clothing bank.

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.

The clothing bank will source donated clothing items by the public, to one of the various warehouses/units around the UK, which will be sourced and picked by trained staff. All suitable items will be sent via a container to Ghana, where the items will be sold for a profit for the charity.

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

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 term until resignation. 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.

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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.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

30 January 2024

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 2023 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 2023 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.

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.

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.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

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

30 January 2024

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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	654,980	645,157	1,300,137	534,741	853,691	1,388,432
Investments	4	1,430	-	1,430	-	-	-
Total income		656,410	645,157	1,301,567	534,741	853,691	1,388,432
Expenditure on:							
Raising funds	5	205,829	-	205,829	173,691	-	173,691
Charitable activities	6	357,876	848,877	1,206,753	449,576	593,335	1,042,911
Total expenditure		563,705	848,877	1,412,582	623,267	593,335	1,216,602
Net gains on investments	11	228,661	-	228,661	-	-	-
Net income/(expenditure) and movement in funds		92,705	(203,720)	(111,015)	(88,526)	260,356	171,830
Reconciliation of funds:							
Fund balances at 1 April 2022		76,520	260,356	336,876	165,046	-	165,046
Fund balances at 31 March 2023		397,886	56,636	454,522	76,520	260,356	336,876

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		292		389
Investments	14		311,048		-
			<u>311,340</u>		<u>389</u>
Current assets					
Debtors	15	196,299		155,496	
Cash at bank and in hand		55,784		240,784	
		<u>252,083</u>		<u>396,280</u>	
Creditors: amounts falling due within one year	16	108,901		59,793	
		<u>108,901</u>		<u>59,793</u>	
Net current assets			143,182		336,487
Total assets less current liabilities			<u>454,522</u>		<u>336,876</u>
The funds of the charity					
Restricted income funds	17		56,636		260,356
Unrestricted funds			397,886		76,520
			<u>454,522</u>		<u>336,876</u>

The financial statements were approved by the Trustee on 30 January 2024

Muhammad Junade Zakir
Trustee

Fahad Ansari
Trustee

Adnan Aly
Trustee

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(104,044)		54,287
Investing activities					
Purchase of tangible fixed assets		-		(93)	
Purchase of investments		(82,386)		-	
Investment income received		1,430		-	
Net cash used in investing activities			(80,956)		(93)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(185,000)		54,194
Cash and cash equivalents at beginning of year			240,784		186,590
Cash and cash equivalents at end of year			55,784		240,784

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 or grantors 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 2023

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.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 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 2023

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.

1.12 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.

1.13 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 Trustee 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 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	654,980	598,089	1,253,069	534,741	781,569	1,316,310
Grants receivable	-	47,068	47,068	-	72,122	72,122
	<u>654,980</u>	<u>645,157</u>	<u>1,300,137</u>	<u>534,741</u>	<u>853,691</u>	<u>1,388,432</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,430	-
	<u>1,430</u>	<u>-</u>

5 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Advertising	166,584	133,962
Other fundraising costs	39,245	39,729
	<u>205,829</u>	<u>173,691</u>

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Expenditure on charitable activities

	Helping Households 2023 £	Helping Households 2022 £
Direct costs		
Staff costs	113,691	98,253
Depreciation and impairment	97	129
Counselling	5,991	6,779
Financial Support	662,205	562,814
Empowerment	32,503	816
Living expenses	23,370	28,150
Education	7,242	19,820
Practical	70,209	50,858
	<u>915,308</u>	<u>767,619</u>
Share of support and governance costs (see note 8)		
Support	134,237	187,923
Governance	157,208	87,369
	<u>1,206,753</u>	<u>1,042,911</u>
Analysis by fund		
Unrestricted funds	357,876	449,576
Restricted funds	848,877	593,335
	<u>1,206,753</u>	<u>1,042,911</u>

7 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 2023

8 Support costs allocated to activities

	2023 £	2022 £
Staff costs	96,812	156,163
Office Rent	11,081	10,744
Training	3,652	2,761
Telephone	2,304	2,104
General expenses	20,387	16,151
Governance costs	157,209	87,369
	<u>291,445</u>	<u>275,292</u>
Analysed between:		
Helping Households	<u>291,445</u>	<u>275,292</u>

9 Trustee

One of the trustees, Adnan Aly received fees during the year for professional services amount to £32,443 (2022 - £27,563)

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Admin and operations	<u>7</u>	<u>9</u>
Employment costs	2023 £	2022 £
Wages and salaries	191,743	236,961
Social security costs	16,534	15,159
Other pension costs	2,226	2,296
	<u>210,503</u>	<u>254,416</u>

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

11 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	<u>228,661</u>	<u>-</u>

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Computers £
Cost	
At 1 April 2022	11,358
At 31 March 2023	11,358
Depreciation and impairment	
At 1 April 2022	10,969
Depreciation charged in the year	97
At 31 March 2023	11,066
Carrying amount	
At 31 March 2023	292
At 31 March 2022	389

14 Fixed asset investments

	Donations received in crypto currency £
Cost or valuation	
At 1 April 2022	-
Additions	82,386
Valuation changes	228,662
At 31 March 2023	311,048
Carrying amount	
At 31 March 2023	311,048
At 31 March 2022	-

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	194,540	133,446
Other debtors	1,000	1,000
Prepayments and accrued income	759	21,050
	<u>196,299</u>	<u>155,496</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	6,733	13,293
Trade creditors	58,891	24,900
Other creditors	21,500	-
Accruals and deferred income	21,777	21,600
	<u>108,901</u>	<u>59,793</u>

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
	260,356	645,157	(848,877)	56,636
	<u>260,356</u>	<u>645,157</u>	<u>(848,877)</u>	<u>56,636</u>
Previous year:				
	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
	-	853,691	(593,335)	260,356
	<u>-</u>	<u>853,691</u>	<u>(593,335)</u>	<u>260,356</u>

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2023 £
General funds	76,520	656,410	(563,705)	228,661	397,886
	<u>76,520</u>	<u>656,410</u>	<u>(563,705)</u>	<u>228,661</u>	<u>397,886</u>

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Unrestricted funds

(Continued)

Previous year:	At 1 April 2021	Incoming resources	Resources expended	Gains and losses	At 31 March 2022
	£	£	£	£	£
General funds	165,046	534,741	(623,267)	-	76,520

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	292	-	292
Investments	311,048	-	311,048
Current assets/(liabilities)	86,546	56,636	143,182
	<u>397,886</u>	<u>56,636</u>	<u>454,522</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	389	-	389
Current assets/(liabilities)	76,131	260,356	336,487
	<u>76,520</u>	<u>260,356</u>	<u>336,876</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none), other than fees paid to Adnan Aly.

HHUGS - HELPING HOUSEHOLDS UNDER GREAT STRESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21	Cash generated from operations	2023 £	2022 £
	Surplus for the year	117,646	171,830
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,430)	-
	Fair value gains and losses on investments	(228,661)	-
	Depreciation and impairment of tangible fixed assets	97	129
	Movements in working capital:		
	(Increase) in debtors	(40,804)	(154,496)
	Increase in creditors	49,108	36,824
	Cash (absorbed by)/generated from operations	(104,044)	54,287
22	Analysis of changes in net funds		
	The charity had no material debt during the year.		