

**Hugs Children's Cancer Charity (CIO) formerly known as Hugs
From Henry**

**Annual Report and Financial Statements
Year Ended 30 April 2021**

Charity registration number: 1161382



Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

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Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Reference and Administrative Details

Chief Executive Officer	Mrs Elsbeth Hallam - co founder of Hugs Children's Cancer Charity
Trustees	Mr Ade Edwards (Chair) Ms Zoe Edwards Michael Hallam Ms Emma McKay
Principal Office	PO Box 164 PLYMOUTH Devon PL1 9EP Telephone : 01752 417736 Email : enquiries@hugsfromhenry.co.uk Website: www.hugsfromhenry.co.uk
Charity Registration Number	1161382
Solicitors	Woolcombe Yonge 63/65 Bretonside PLYMOUTH Devon PL4 0BD
Independent Examiner	Francis Clark LLP Independent examiner North Quay House Sutton Harbour PLYMOUTH Devon PL4 0RA

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 April 2021.

Trustees

Mr Ade Edwards (Chair)
(appointed 10 May 2021)

Ms Zoe Edwards

Mr Ryan Jackson (resigned 22
June 2021)

Michael Hallam

Ms Emma McKay

Jade Nicholson (resigned 15 July
2020)

Mission Statement

Hugs Children's Cancer charity (formerly Hugs from Henry) is a Plymouth based charity which helps families who have a child with childhood cancer Neuroblastoma, and supports local families with childhood cancer. Whether emotional support, making a memory or helping families keep in touch, Hugs Children's Cancer charity provides them with a place to turn.

Objectives and activities

The charity is a Charitable Incorporated Organisation (CIO) with its principal office in England. Hugs Children's Cancer Charity is a small non-governmental, non-political, non-religious charity established in 2015. It is registered as a charity with the Charity Commission under registration number 1161382.

The charity objectives are as follows:

- The relief of sickness and the preservation of health of children and young people suffering from Neuroblastoma or childhood cancer, in particular but not exclusively by the provision of a respite/holiday home, and emotional support and the provision of group social events for them and their families.

Fundraising

The charity also runs a shop which sells second hand donated goods, provides an outlet for publicity material for the charity and collects donations for the general work of the charity:

Hugs Charity Shop
13-15 The Broadway
Plymouth
PL9 7AU
Telephone: 01752 651025

Hugs Donation Station
Sugar Mill Retail Park
Plymouth
PL9 7HT

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

What have we achieved this year

In summary Hugs Children's Cancer Charity has delivered the following activities for the public benefit which are in accord with our charitable objects and aims:

During the Covid-19 pandemic, the charity stepped up and provided food parcels and cooked meals to the most vulnerable families with childhood cancer in our area. We also provided emergency grants of £50 to those travelling to Bristol for treatment during this time. Due to the complexities of lockdown and travel during the pandemic, Hugs also stepped in and provided overnight accommodation for a family who had been recently diagnosed.

We worked with Plymouth City Council, who provided the charity with £10k to support their Winter Grant Scheme. We used these funds to provide vulnerable families with a £250 grant during the Covid pandemic.

The respite home continues to provide unique breaks for families affected with childhood cancer. Families are offered 7 days at the respite home FOC and are provided food shopping and gifts on arrival. The house has been invested into to ensure that families have a relaxing break. The home now has a hot tub to enhance the stays of the families who visit. Breaks have unfortunately been limited this year due to the pandemic.

Emotional support is provided through our CEO Elsbeth Hallam who speaks to many families nationally, providing one-to-one advice and emotional support. Elsbeth also manages two social media groups to support families with Neuroblastoma and childhood cancer in Plymouth and Cornwall. She also uses social media to connect with families throughout the UK.

We have provided emotional support and delivered 'care packs' to the families affected by childhood cancer during hospital visits in Plymouth Derriford Hospital and Bristol Children's Hospital. The care packs generally consist of small treats, toiletries and food vouchers for the family. We continue to work closely with local entertainment businesses who visit Bristol Children's Hospital and Derriford Hospital to provide special entertainment and 'magic' to the poorly children, many of whom have been in insolation for long periods of time. Elsbeth has also carried out a number of individual visits to local families on request. This has been limited due to Covid over the last 24 months and Elsbeth has ensured that all precautions have been taken. Food delivery services such as Just Eat have been used for those in for hospital stays.

We have again provided gifts at Christmas to Derriford Hospital, Bristol Children's Hospital, CLIC House, Children's Hospice South West and St. Luke's Hospice. In 2020 we provided over 1,000 presents to children who were in hospital over Christmas. We also arranged visits with local entertainers to the hospitals. Due to the pandemic, we were unable to visit the hospitals in person, however all gifts were distributed by the oncology team. We also provided Christmas hampers to families in both the Plymouth and Treliiske Hospitals.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

- This Easter we provided over 1,000 Easter eggs to Derriford Hospital.
- Our charity shop on Plymstock Broadway, Plymouth, is a significant and popular retail unit. It has been a challenging time with the closure of retail units during the pandemic however once opened it has continued to be successful. During the year the charity took on a new unit to accept donations to allow us to process these safely. The retail sector has its own social media page which is increasing daily after the staff share donations on the page with the public. The page helps increase footfall and also connects collectors with the charity. The shop is proving to be profitable and a key asset for fundraising, advertising events and raising the charity's profile.

Post year end

In February 2022 the charity shut the donation station and took out a new lease at Sugar Mill for a larger donation station and attached retail unit for a period of six years. The charity commencing selling furniture and larger donated goods to the public. A Retail Development Manager was appointed to manage the set up and maximise income potential. Plans are also progressing to change the retail unit at Plymstock Broadway to a larger one with the aim of increasing income from the sale of donated goods.

Financial review

Net income for the year was £25,550 (2020: net income £10,871). The balance held in unrestricted funds at 30 April 2021 was £130,117 (2020: £102,428) of which £925 (2020: £141) is represented by fixed assets and is not therefore readily available. The balance held on restricted funds at the year end was £149,274 (2020: £151,413).

Policy on reserves

The trustees aim to maintain free reserves at a level which equates to approximately six months of unrestricted expenditure. The trustees consider the CIO's exposure to major risks in terms of their likely impact on income sources and planned expenditure in the short to medium term, as well as assessing the best way to manage such risks. The unrestricted funds of the charity are held for the promotion of physical and mental health of sufferers of Neuroblastoma in the UK and to provide support and advice to families of children suffering from Neuroblastoma. At the year end free reserves were £129,192 which equates to over ten months of expenditure in the last financial year.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

Plans for future periods

Our Vision

- we will continue to provide respite to families with childhood cancer, those with Neuroblastoma nationally and locally with childhood cancer (within the 'PL' area).
- we will continue to visit hospitals within the South West to provide care packs and emotional support to local families being treated in these areas. We provide emotional support over the phone or email for any family with neuroblastoma nationally.
- we continue to provide our annual Children's Cancer Ball free of charge to the local oncology children and their families. Although, due to Covid-19 the 2020 and 2021 events were postponed.
- we will organise a group away day for families to spend time with other oncology families.
- we will continue to provide gifts at Christmas and Easter to local hospitals.
- we will continue to provide cooked meals to those in treatment and isolating due to Covid-19.

How do we fund our missions?

- The expansion of our retail sector
- Fundraising events
- Sponsored runs, walks, skydives etc.
- Corporate sponsorship
- Grants

Structure, governance and management

Nature of governing document

The trust is a registered charity (number 1161382), a charitable incorporated organisation (CIO) (number CE003963) and is constituted under trust deed dated 22 April 2015 in England and Wales. On 23 July 2020 the charity changed its name to Hugs Children's Cancer Charity (formerly known as Hugs From Henry).

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

Recruitment and appointment of trustees

The constitution provides for a minimum of three trustees and there is no maximum. Every trustee must be appointed by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment regard is given to skills, knowledge and experience. Trustees can serve until they either resign or their term ends without renewal. Overall responsibility for the management of the CIO is vested in the trustees.

Our trustees are unpaid and details of trustee expenses are disclosed in the accounts.

The charity will recruit additional trustees as and when required. Trustees must give one month's notice before resigning. Extension of terms will be agreed by the board.

Arrangements for setting key management personnel remuneration

The day to day management of the charity is carried out by the CEO, Elsbeth Hallam, who receives remuneration from the charity for this service. The level of remuneration is set by the trustees, after taking into account the size of the charity and is benchmarked against other charities in the local area.

Organisational structure

The board of trustees are clear about the charity's aims and ensures these are being delivered effectively and sustainably. As a small charity the board and individual trustees take collective responsibility for its decisions but the Chair provides leadership to the board and takes responsibility for ensuring the board has agreed priorities, appropriate structures and processes in place.

The day to day running of the charity is handled by Elsbeth Hallam. She is guided by the trustees when needed, organises trustee meetings quarterly and also runs a messenger group to ease communication between members. The majority of decisions are made by a quorum of three trustees where the financial sums involved are in excess of £1,000.

Trustees all provide regular voluntary help with tasks where they have particular expertise.

Elsbeth Hallam is also the family liaison officer for the charity. She has regular contact with families and ensures that she is available when needed for contact and visits. She organizes group events, food deliveries and general management of the respite home.

The charity shop is run by volunteer, Rebecca Case, who has vast experience in retail. She organises the rotas, end of day takings and book keeping. She reports to Elsbeth when needed. The shop has 4 employees who share hours over the open periods, they report to Rebecca. The shop also has volunteers who donate their time over the shop openings.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

Trustees

Emma McKay (Chair)

Emma is an 'Oncology Mum' who has a vast experience of care and treatment for children with cancer from her own journey. Emma is a HR manager for a firm of solicitors.

Michael Hallam

Michael is Henry's father and co-founder of Hugs Children's Cancer Charity. Mike is a professionally registered electrical design engineer and director of his own building services business. He brings not only compassion and first-hand experience of caring for a child with cancer but also his professional experience and business acumen.

Zoe Edwards

Zoe is a nurse manager at a local GP practice with vast nursing experience in primary and emergency care.

Ade Edwards

Ade is Head of Operations at a local charity which supports people with drug and alcohol rehabilitation. He brings years of experience in running a charity to the board.

Ryan Jackson

Ryan has thirty years retail experience, recently working as the retail manager for the British Red Cross in the Southwest. Ryan stepped down as a Trustee in June 2021 and became our Retail Development Manager in October 2021.

Staff and Volunteers

Ryan Jackson - Retail Development Manager (start October 21)

Rebecca Case - Volunteer Shop Manager

Sharon Hallam - Shop Assistant (paid)

Amy Lynn - Shop Assistant (paid) (now departed)

Andrew Richardson - Shop Assistant (paid)

Lydia Whiting - Shop Assistant (paid)

Claire Bryant - Shop Assistant (paid) (now departed)

Helen Townsend - Shop Assistant (paid)

Hayley Glanfield - Shop Assistant (paid)

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

Risk Management

All significant activities undertaken are subject to a risk review prior to implementation. Risks are assessed against their potential impact and likely effect on:

- Operational performance
- Financial sustainability
- Achievement of our aims and objectives
- Meeting the expectations of our beneficiaries / supporters
- Charity integrity

We review these risks on an ongoing basis to satisfy ourselves that adequate measures and procedures have been taken to manage the risks identified. Where appropriate certain mitigations are taken such as insurance or outside professional advice.

All risks were highlighted and mitigation measures were taken. Legal advice was sought from GA Solicitors regarding employment contracts and Woollcombe Yonge regarding shop leases, as well as the combined expertise and experience from all of our trustees.

Covid 19 and the charity

The Covid-19 pandemic took the world by surprise with the fast pace in which it took hold. Hugs Children's Cancer charity was affected immediately, with the closure of our retail unit and postponement of our events between March 2020 and July 2020. Our staff were sent home and the unit was closed and all 4 shop staff were furloughed. Further closures have been enforced on the charity including the two week 'National Circuit Breaker' in November 2020 and a further National lockdown between January 2021 and March 2021. During the lockdown periods all of our fundraising income stopped, including the income from people who had planned personal fundraisers and challenges.

Throughout the period the charity has stepped up and supported those vulnerable and shielding families in our community. We did this by providing cooked meals delivered to people's houses, food parcels and where needed vouchers for those in treatment. Funding has been of a major concern to the charity throughout this period, with the charity postponing large scale events and having already paid substantial deposits from last year, we needed to find support to keep us going.

Unfortunately our shop rent was not decreased and therefore we paid in full during the lockdown periods, we have however been able to benefit from the government's business rates relief and grants. This depleted quickly so we felt immense pressure to open when safe to do so. We also tried to bring sales online in 2020 to help with funding, these continued until September 2021 when we agreed that they were not generating enough funds.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Trustees' Report

The respite home has been closed during the national lockdown periods and after completing all safety checks and ensuring that the home was covid safe, we were able to open the doors again in August 2021 to our first family.

Our annual children's cancer ball has been postponed until 2022 due to safety concerns and group events at this time. Our plans for an away day in the summer was side lined but we hope to organise something in 2022.

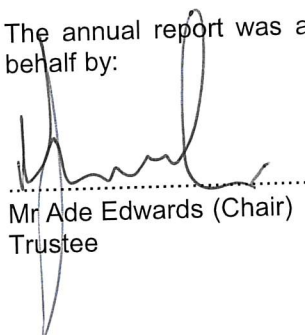
The charity has been successful in obtaining a grant from the National Lottery and CAF. We have also launched a crowd funder with Aviva Community Funding.

We worked with Plymouth City Council with the Winter Grant Scheme to provide money and vouchers to the most vulnerable in the Plymouth area.

Going concern

After making appropriate enquiries and due consideration, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The annual report was approved by the trustees of the charity on 24/2/22 and signed on its behalf by:



Mr Ade Edwards (Chair)
Trustee

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Statement of Trustees' Responsibilities

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

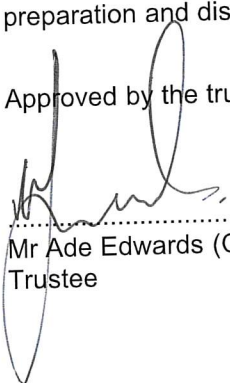
The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees of the charity on 24/2/22 and signed on its behalf by:


Mr Ade Edwards (Chair)
Trustee

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Independent Examiner's Report to the trustees of Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 April 2021 which are set out on pages 12 to 26.

Respective responsibilities of trustees and examiner

As the charity's trustees of Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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



.....
Duncan Leslie
Independent examiner
FCA

North Quay House
Sutton Harbour
PLYMOUTH
Devon
PL4 0RA

Date: 08/03/2022
.....

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Statement of Financial Activities

Year Ended 30 April 2021

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	2	111,512	5,000	116,512
Other trading activities	3	52,044	-	52,044
Investment income	4	38	-	38
Total Income		<u>163,594</u>	<u>5,000</u>	<u>168,594</u>
Expenditure on:				
Raising funds	5	(60,241)	-	(60,241)
Charitable activities	6	<u>(70,490)</u>	<u>(12,313)</u>	<u>(82,803)</u>
Total Expenditure		<u>(130,731)</u>	<u>(12,313)</u>	<u>(143,044)</u>
Net income/(expenditure)		32,863	(7,313)	25,550
Gross transfers between funds		<u>(5,174)</u>	<u>5,174</u>	-
Net movement in funds		27,689	(2,139)	25,550
Reconciliation of funds				
Total funds brought forward		<u>102,428</u>	<u>151,413</u>	<u>253,841</u>
Total funds carried forward	17	<u>130,117</u>	<u>149,274</u>	<u>279,391</u>
				Total 2020 £
Income and Endowments from:				
Donations and legacies	2	51,236	1,550	52,786
Other trading activities	3	92,776	800	93,576
Investment income	4	147	-	147
Total Income		<u>144,159</u>	<u>2,350</u>	<u>146,509</u>
Expenditure on:				
Raising funds	5	(53,544)	-	(53,544)
Charitable activities	6	<u>(58,078)</u>	<u>(24,016)</u>	<u>(82,094)</u>
Total Expenditure		<u>(111,622)</u>	<u>(24,016)</u>	<u>(135,638)</u>
Net income/(expenditure)		32,537	(21,666)	10,871
Gross transfers between funds		<u>(10,633)</u>	<u>10,633</u>	-
Net movement in funds		21,904	(11,033)	10,871

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Statement of Financial Activities

Year Ended 30 April 2021

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
Reconciliation of funds				
Total funds brought forward		<u>80,524</u>	<u>162,446</u>	<u>242,970</u>
Total funds carried forward	17	<u><u>102,428</u></u>	<u><u>151,413</u></u>	<u><u>253,841</u></u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 and 2020 is shown in note 17.

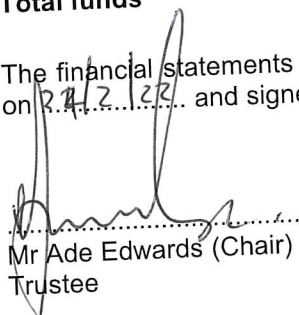
Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Balance Sheet

30 April 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	149,249	150,004
Current assets			
Stocks	13	-	216
Debtors	14	12,847	12,370
Cash at bank and in hand		<u>120,895</u>	<u>94,011</u>
		133,742	106,597
Creditors: Amounts falling due within one year	15	<u>(3,600)</u>	<u>(2,760)</u>
		130,142	103,837
Net current assets		<u>279,391</u>	<u>253,841</u>
Net assets			
Funds of the charity:			
Restricted income funds			
Restricted funds		149,274	151,413
Unrestricted income funds			
Unrestricted funds		<u>130,117</u>	<u>102,428</u>
Total funds	17	<u>279,391</u>	<u>253,841</u>

The financial statements on pages 12 to 26 were approved by the trustees, and authorised for issue on 24/2/22 and signed on their behalf by:


Mr Ade Edwards (Chair)
Trustee

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Charities Act 2011.

Basis of preparation

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Covid- 19 and Going concern

The Covid-19 pandemic took the world by surprise with the fast pace in which it took hold. Hugs Children's Cancer charity was affected immediately, with the closure of our retail unit and postponement of our events between March 2020 and July 2020. Our staff were sent home and the unit was closed and all 4 shop staff were furloughed. Further closures have been enforced on the charity including the two week 'National Circuit Breaker' in November 2020 and a further National lockdown between January 2021 and March 2021. During the lockdown periods all of our fundraising income stopped, including the income from people who had planned personal fundraisers and challenges.

Throughout the period the charity has stepped up and supported those vulnerable and shielding families in our community. We did this by providing cooked meals delivered to people's houses, food parcels and where needed vouchers for those in treatment. Funding has been of a major concern to the charity throughout this period, with the charity postponing large scale events and having already paid substantial deposits from last year, we needed to find support to keep us going.

Unfortunately our shop rent was not decreased and therefore we paid in full during the lockdown periods, we have however been able to benefit from the government's business rates relief and grants. This depleted quickly so we felt immense pressure to open when safe to do so. We also tried to bring sales online in 2020 to help with funding, these continued until September 2021 when we agreed that they were not generating enough funds.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

The respite home has been closed during the national lockdown periods and after completing all safety checks and ensuring that the home was covid safe, we were able to open the doors again in August 2021 to our first family.

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The charity has been successful in obtaining a grant from the National Lottery and CAF. We have also launched a crowd funder with Aviva Community Funding.

We worked with Plymouth City Council with the Winter Grant Scheme to provide money and vouchers to the most vulnerable in the Plymouth area.

Going concern

After making appropriate enquiries and due consideration, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this note, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historically known factors and experience. Therefore, the trustees do not perceive there to be any critical areas of judgement or key sources of estimation uncertainty in the formulation of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Government grants

Government grants are recognised on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of the grant relating to an asset is deferred, it is recognised as deferred income.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

Other trading activities

Shops income
Money raised from the charity shops is recognised on receipt.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Grants awarded to recipients are recognised as expenditure once the award is communicated to beneficiaries.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including independent examination, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land	not depreciated
Freehold property	2% straight line
Furniture and equipment	25% straight line
Computer equipment	33% straight line

Stock

Stocks are valued at the lower of cost and net realisable value. Donated goods sold in charity shops are valued at zero cost.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

The charity holds the following financial instruments:

- Short term other creditors
- Cash and bank balances

All financial instruments are classified as basic.

Recognition and measurement

The charity has chosen to apply the recognition and measurement principles in FRS102. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument and derecognised when in the case of the assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the charity's obligations are discharged, expire or are cancelled.

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

2 Income from donations and legacies

	Unrestricted General fund £	Restricted £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from individuals	29,773	-	29,773	32,786
Grants, including capital grants;				
Grants from companies	-	5,000	5,000	-
National Lottery Covid assistance	10,000	-	10,000	-
Covid 19 assistance	25,000	-	25,000	20,000
Local Authority Covid 19 assistance	29,465	-	29,465	-
Furlough income	17,274	-	17,274	-
	<u>111,512</u>	<u>5,000</u>	<u>116,512</u>	<u>52,786</u>

3 Income from other trading activities

	Unrestricted General fund £	Total 2021 £	Total 2020 £
Trading income;			
Sale of goods	42,316	42,316	55,699
Events income;			
Other events income	7,442	7,442	30,291
Sponsorship income	-	-	6,010
Property rental income	2,286	2,286	1,576
	<u>52,044</u>	<u>52,044</u>	<u>93,576</u>

4 Investment income

	Unrestricted General fund £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	38	38	147

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

5 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted General fund £	Total 2021 £	Total 2020 £
Fundraising trading costs;			
Publicity	-	-	1,700
Shop running expenses	35,455	35,455	32,108
Lotteries and competitions	-	-	853
Shop staff costs	24,786	24,786	18,883
	<u>60,241</u>	<u>60,241</u>	<u>53,544</u>

6 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2021 £	Total 2020 £
Event sales	1,833	-	1,833	17,176
Donations and gifts	17,667	-	17,667	5,580
Respite home costs	12,652	-	12,652	13,350
Direct staff costs	24,489	-	24,489	23,985
Insurance	1,368	-	1,368	1,274
Travel costs	1,581	-	1,581	2,735
Stationery and admin	3,583	-	3,583	1,753
Sundries	566	-	566	992
Depreciation	7,309	-	7,309	5,822
Support costs	-	7,915	7,915	6,639
Governance costs	-	3,840	3,840	2,788
	<u>71,048</u>	<u>11,755</u>	<u>82,803</u>	<u>82,094</u>

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements Year Ended 30 April 2021

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Other support costs £	Total 2021 £	Total 2020 £
Direct staff costs	20%	6,122	6,122	5,996
Legal and professional	100%	1,793	1,793	643
		<u>7,915</u>	<u>7,915</u>	<u>6,639</u>

All support costs are unrestricted expenditure (2020: all unrestricted).

Governance costs

	Unrestricted General fund £	Total 2021 £	Total 2020 £
Independent examiner's fees	3,840	3,840	2,788
	<u>3,840</u>	<u>3,840</u>	<u>2,788</u>

All governance costs are unrestricted expenditure (2020: all unrestricted).

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>7,309</u>	<u>5,822</u>

9 Trustees' remuneration and expenses

Other

The founder, who is also considered to be the Charity's key management is married to one of the trustees. Remuneration received is disclosed in note 10.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year other than as disclosed in note 19.

During the year five trustees received a Christmas hamper amounting to £25 each. No trustees received any reimbursed expenses or any other benefits from the charity during the year (2020: nil).

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements Year Ended 30 April 2021

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	<u>55,397</u>	<u>48,864</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Full and part time employees	<u>5</u>	<u>5</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £32,216 (2020 - £32,238).

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 May 2020	150,974	10,143	3,689	164,806
Additions	-	5,174	1,380	6,554
At 30 April 2021	<u>150,974</u>	<u>15,317</u>	<u>5,069</u>	<u>171,360</u>
Depreciation				
At 1 May 2020	6,038	5,081	3,683	14,802
Charge for the year	3,019	3,829	461	7,309
At 30 April 2021	<u>9,057</u>	<u>8,910</u>	<u>4,144</u>	<u>22,111</u>
Net book value				
At 30 April 2021	<u>141,917</u>	<u>6,407</u>	<u>925</u>	<u>149,249</u>
At 30 April 2020	<u>144,936</u>	<u>5,062</u>	<u>6</u>	<u>150,004</u>

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

13 Stock

	2021 £	2020 £
Stocks	-	216

14 Debtors

	2021 £	2020 £
Prepayments	12,370	12,370
Other debtors	477	-
	<u>12,847</u>	<u>12,370</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	<u>3,600</u>	<u>2,760</u>

16 Obligations under leases and hire purchase contracts

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Land and buildings		
Within one year	<u>600</u>	<u>11,250</u>

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements Year Ended 30 April 2021

17 Funds

	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2021 £
Unrestricted funds					
General					
Unrestricted fund	102,428	163,594	(130,731)	(5,174)	130,117
Restricted funds					
Hugs Children's Cancer Charity - respite property and furniture	149,863	-	(6,713)	5,174	148,324
Boxing event	1,550	-	(600)	-	950
CAF funding	-	5,000	(5,000)	-	-
Total restricted funds	<u>151,413</u>	<u>5,000</u>	<u>(12,313)</u>	<u>5,174</u>	<u>149,274</u>
Total funds	<u>253,841</u>	<u>168,594</u>	<u>(143,044)</u>	<u>-</u>	<u>279,391</u>
	Balance at 1 May 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2020 £
Unrestricted funds					
General					
Unrestricted fund	80,524	144,159	(111,622)	(10,633)	102,428
Restricted					
Hugs Children's Cancer Charity fund	7,164	-	(17,797)	10,633	-
Hugs Children's Cancer Charity - respite property and furniture	155,282	-	(5,419)	-	149,863
Respite home launch	-	800	(800)	-	-
Boxing event	-	1,550	-	-	1,550
Total restricted funds	<u>162,446</u>	<u>2,350</u>	<u>(24,016)</u>	<u>10,633</u>	<u>151,413</u>
Total funds	<u>242,970</u>	<u>146,509</u>	<u>(135,638)</u>	<u>-</u>	<u>253,841</u>

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

Restricted Funds

Hugs Children's Cancer Charity respite property and furniture fund - this fund relates to a holiday home purchased to provide respite for the sufferers of neuroblastoma and other childhood cancers and their families. During the year assets costing £5,174 were purchased and a depreciation charge of £6,713 has been made, this leaves a closing balance of £148,324.

Boxing event fund - last year the charity received £1,550 from Itec Connect towards the costs of holding a boxing event. Due to the COVID 19 pandemic this event has not yet taken place. During the year £600 was returned to the donor and the balance of £950 will be carried forward towards future costs of the event which is planned to be rescheduled.

CAF grant - during the year the charity received £5,000 towards core funding, this amount has been fully spent during the year.

18 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 April 2021 £
Tangible fixed assets	925	148,324	149,249
Current assets	132,792	950	133,742
Current liabilities	(3,600)	-	(3,600)
Total net assets	130,117	149,274	279,391
	Unrestricted funds General £	Restricted funds £	Total funds at 30 April 2020 £
Tangible fixed assets	141	149,863	150,004
Current assets	105,047	1,550	106,597
Current liabilities	(2,760)	-	(2,760)
Total net assets	102,428	151,413	253,841

Hugs Children's Cancer Charity (CIO) formerly known as Hugs From Henry

Notes to the Financial Statements

Year Ended 30 April 2021

19 Related party transactions

Related party transactions

During the year ended 30 April 2021 the charity paid £8,638 (2020: £8,567) to a close family member of Michael Hallam (Trustee) for employment as a shop assistant in the Hugs Children's Cancer charity shop.

As disclosed in note 9, the founder, who is also the charity's key management is married to Michael Hallam. Remuneration is disclosed in note 10.

There were no other related party transactions during the year which require disclosure.

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BRISTOL	EXETER	PLYMOUTH	POOLE	SALISBURY	TAUNTON	TORQUAY	TRURO
0117 403 9800	01392 667000	01752 301010	01202 663600	01722 337661	01823 275925	01803 320100	01872 276477
