

# **Hugs Children's Cancer Charity (CIO)**

## **Annual Report and Financial Statements Year Ended 30 April 2022**

Charity registration number: 1161382

# Hugs Children's Cancer Charity (CIO)

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## Hugs Children's Cancer Charity (CIO)

### Reference and Administrative Details

<b>Chief Executive Officer</b>	Mrs Elsbeth Hallam - co founder of Hugs Children's Cancer Charity
<b>Trustees</b>	Mr Ade Edwards (Chair) Ms Zoe Edwards Michael Hallam Kelly Heatley
<b>Principal Office</b>	PO Box 164 PLYMOUTH Devon PL1 9EP  Telephone : 01752 417736 Email : <a href="mailto:enquiries@hugsfromhenry.co.uk">enquiries@hugsfromhenry.co.uk</a> Website: <a href="http://www.hugsfromhenry.co.uk">www.hugsfromhenry.co.uk</a>
<b>Charity Registration Number</b>	1161382
<b>Solicitors</b>	Nash & Co Beaumont House Beaumont Park PLYMOUTH Devon PL4 9BD
<b>Independent Examiner</b>	Francis Clark LLP Independent examiner Melville Building East Royal William Yard PLYMOUTH Devon PL1 3GW

# Hugs Children's Cancer Charity (CIO)

## Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 April 2022.

### Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

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

Ms Zoe Edwards

Mr Ryan Jackson (resigned 22 June 2021)

Michael Hallam

Ms Emma McKay (resigned 26 January 2022)

Kelly Heatley (appointed 26 January 2022)

Chief Executive Officer:

Mrs Elsbeth Hallam - co founder of Hugs Children's Cancer Charity

### Mission Statement

Hugs Children's Cancer charity is a Plymouth based charity which helps families who have/had a child 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.
- To provide relief of sickness and the preservation of health of children and young people suffering with childhood cancer, in particular with the provision of group social events.



# Hugs Children's Cancer Charity (CIO)

## Trustees' Report (continued)

### ***Fundraising***

The charity runs two charity shops which sell second hand donated goods, provides an outlet for publicity material for the charity and collects donations for the general work of the charity:

Hugs Children's Cancer Charity Shop  
The Broadway  
Plymouth  
PL9 7AU  
Telephone: 01752 651880

Hugs Children's Cancer Charity Shop and donation unit  
Unit 1 & 2  
Sugar Mill Retail Park  
Plymouth  
PL9 7HT

### ***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:

- The respite home continues to provide unique breaks for families affected with childhood cancer. Families are offered 7 days at the respite home free of charge. The house has been invested into to ensure that families have a relaxing break, including a private hot tub and pagoda, new board games and books and entertainment channels such as Disney and Sky.
- 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. Elsbeth uses social media to connect with families throughout the UK. Her information is also given to newly diagnosed families alongside a voucher.
- We have provided emotional support and delivered "care packs" to the families affected by childhood cancer during hospital visits to Plymouth Derriford Hospital, Bristol Children's Hospital and London's GOSH and UCLH. The care packs generally consist of small treats, toiletries and food vouchers for the family. Elsbeth has also carried out a number of individual visits to local families on request.

## Hugs Children's Cancer Charity (CIO)

### Trustees' Report (continued)

- After a break due to Covid, the charity provided its Children's Cancer Ball where families affected by childhood cancers were provided with "VIP" treatment which included a meal, entertainment and gifts, all free of charge. This is a well loved event that brings families together all whom have been through the devastating diagnosis of childhood cancer.
- We have again provided gifts at Christmas to Derriford Hospital, Bristol Children's Hospital, Royal Devon and Exeter Hospitals and Royal Cornwall Hospital.
- Our charity shops have expanded and as well as our popular unit in Plymstock Broadway, Plymouth, we have also opened a large furniture and donation station on Billacombe Road, Plymstock. The shop is proving to be profitable and a key asset for fundraising, advertising events and raising the charities profile. The opening of the donation unit was key to moving forward post covid, due to the tight restrictions on holding items before being able to sort through to risk of infection. Opening the large unit meant that staff were protected against possible contamination of items.
- The charity returned to organising group events and coffee mornings for families including the popular family away days to popular sites around the country.

#### ***Use of volunteers***

We are lucky to be supported by 24 regular volunteers over both the shopping units. Our retail manager, Ryan, actively encourages supporting people in the community with learning difficulties to work in the units. We also have a number of volunteers who will also help at events, for example the charity balls often sees past volunteers return to support the charity in raising funds through raffles and bucket collecting.

#### **Financial review**

Net expenditure for the year was £29,024 (2021: net income £25,550). The balance held in unrestricted funds at 30 April 2022 was £108,751 (2021: £130,117) of which £470 (2021: £925) is represented by fixed assets and is not therefore readily available. The balance held on restricted funds at the year end was £141,616 (2021: £149,274).

#### ***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 £108,281 which equates to 5.2 months of expenditure based on the last financial year. Expenditure during the year included additional shop set up costs of £14k, excluding these costs the free reserves would equate to over 5.6 months of expenditure. The trustees are mindful that the reserves policy is not being met and are looking at ways to increase shop and event income going forward.

# Hugs Children's Cancer Charity (CIO)

## Trustees' Report (continued)

### Plans for future periods

#### Our Vision

- We will continue to provide respite to families with childhood cancer, in treatment, post treatment and to those who have been bereaved by childhood cancer. There is currently no limit on time when this support ends as we feel childhood cancer is a long term diagnosis and has lasting effects on not only the child with cancer but the whole family.
- 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 will continue to provide our annual Children's Cancer Ball free of charge to the local oncology children and their families, (pandemic allowing).
- We will organize various group away days throughout the year for families to spend time with other oncology families, encouraging communication and support in the oncology community.
- We will continue to provide gifts and hampers at Christmas to local hospitals.
- We will continue to provide cooked meals to those in treatment when requested.

#### How do we fund our missions?

- Fundraising events
- Sponsored runs, walks, skydives etc.
- Corporate sponsorship
- Grants
- Charity shop

### 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)

## Trustees' Report (continued)

### ***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 by invitation. Trustees must give one month's notice before resigning. Extension of terms will be agreed by the board. The charity will be advertising for a new member to join the trustee board in 2023.

### ***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 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 Whatsapp 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 organises group events, food deliveries and general management of the respite home.

The charity shop is run by Ryan Jackson, our retail development manager of both units. With a vast experience of the retail sector, he is a key part of our fundraising mission through the shops. Ryan is dedicated to making a difference to not only the local community but to also the environment, being the first charity shop in Plymouth to recycle all plastics, he is keen on ensuring as little goes to landfill as possible and that recycling of all items is done where possible. This stands Hugs in great stead as we move forward into a more environmentally friendly future.

## **Hugs Children's Cancer Charity (CIO)**

### **Trustees' Report (continued)**

#### **Trustees**

##### **Ade Edwards**

Ade is currently the chair of the board of trustees. He has 20 years' experience in working in the 3rd sector and is currently the Head of Operations for a medium size charity with turnover in excess £2.5 million. He brings a mixture of operational experience paired with understanding of charity management, legislation and experience of working with trustees. He has a keen eye for detail and takes a particular interest in the financial sustainability of the charity.

##### **Michael Hallam**

Michael is Henry's father and co-founder of Hugs Children's Cancer Charity. Mike is director of Expedite Building Services, with over 13 years of electrical engineering experience. He has experience of running large numbers of staff and projects. He brings the knowledge from work to the charity but most critically the knowledge of being a father in the pediatric oncology field.

##### **Zoe Edwards**

Zoe has been a registered nurse for 20 years with a vast experience of various medical conditions. As a nurse practitioner she brings a plethora of support and information for parents who have a child with cancer.

##### **Kelly Heatley**

Kelly brings a Human resources role to the panel of trustees. As head of HR for her company she can support both the growing staffing needs when needed but also can provide advise to our families if needed.

#### **Staff**

Ryan Jackson - Retail Development Manager  
Hayley Glanfield - Shop Assistant  
Jaqueline Young - Shop Assistant  
Helen Townsend - Shop Assistant  
Sharon Hallam - Shop assistant  
Amy Lynn - Shop Assistant  
Andrew Richardson - Shop Assistant  
Claire Johnson - Shop Assistant  
Kath Harvey - Shop Assistant  
Linda Spottiswood - Shop Assistant  
Zoe Smith - Shop Assistant  
Shaun Chin - Van Driver/delivery and pick up

# Hugs Children's Cancer Charity (CLO)

## Trustees' Report (continued)

### 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.

Prior to implementation all risks were highlighted and mitigation measures were taken. Legal advice was sought by GA Solicitors regarding employment contracts and Nash & Co regarding shop leases, as well as the combined expertise and experience from all our trustees.

A staff handbook has been written by our solicitors GA Solicitors and provided to all staff as a part of our ongoing risk management.

### 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.

Post the Covid pandemic:

Fundraising events have tripled to raise funds, the charity uses social media tools to promote events and expand its social media presence.

Collection tins have been utilised and increased across the city and these are now being monitored by Sharon Hallam.

The charity has joined the Business Network International (BNI), a networking group that drives those in the group to raise funds for the charity. We also are part of the Devon and Plymouth Chamber increasing our presence in the city and gaining corporate support.

Increased capacity at both shops has led to increased funds being raised and post year end the charity invested in a van for house clearances. Our retail manager Ryan continues to find the best rates for recycling items not sold.

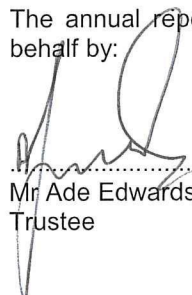
The decision was made in October 2022 that the charity respite home should be closed over the winter to lower running costs during the energy crisis. This excluded Christmas holidays.

With many plans in place, the trustees consider the charity has a positive way forward after the Covid pandemic.

## Hugs Children's Cancer Charity (CIO)

### Trustees' Report (continued)

The annual report was approved by the trustees of the charity on 12/04/23 and signed on its behalf by:



Mr Ade Edwards (Chair)  
Trustee



## Hugs Children's Cancer Charity (CIO)

### 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 corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 13/04/23, and signed on its behalf by:

  
.....  
Mr Ade Edwards (Chair)  
Trustee



## Hugs Children's Cancer Charity (CIO)

### Independent Examiner's Report to the trustees of Hugs Children's Cancer Charity (CIO)

I report to the trustees on my examination of the accounts of Hugs Children's Cancer Charity (CIO) for the year ended 30 April 2022.

#### Responsibilities and basis of report

As the charity trustees of Hugs Children's Cancer Charity (CIO) 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)'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) 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

Melville Building East  
Royal William Yard  
PLYMOUTH  
Devon  
PL1 3GW

Date: 17/04/2023

## Hugs Children's Cancer Charity (CIO)

### Statement of Financial Activities

Year Ended 30 April 2022

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

	Note	Unrestricted £	Restricted £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	51,250	-	51,250
Charitable activities	3	4,098	-	4,098
Other trading activities	4	164,216	(300)	163,916
Investment income	5	6	-	6
Total Income		<u>219,570</u>	<u>(300)</u>	<u>219,270</u>
<b>Expenditure on:</b>				
Raising funds	6	(138,227)	-	(138,227)
Charitable activities	7	<u>(103,359)</u>	<u>(6,708)</u>	<u>(110,067)</u>
Total Expenditure		<u>(241,586)</u>	<u>(6,708)</u>	<u>(248,294)</u>
Net expenditure		(22,016)	(7,008)	(29,024)
Gross transfers between funds		<u>650</u>	<u>(650)</u>	<u>-</u>
Net movement in funds		(21,366)	(7,658)	(29,024)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>130,117</u>	<u>149,274</u>	<u>279,391</u>
Total funds carried forward	17	<u><u>108,751</u></u>	<u><u>141,616</u></u>	<u><u>250,367</u></u>

## Hugs Children's Cancer Charity (CIO)

### Statement of Financial Activities

Year Ended 30 April 2022 (continued)

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

	Note	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	111,512	5,000	116,512
Charitable activities		2,286	-	2,286
Other trading activities	4	49,758	-	49,758
Investment income	5	38	-	38
Total Income		<u>163,594</u>	<u>5,000</u>	<u>168,594</u>
<b>Expenditure on:</b>				
Raising funds	6	(60,241)	-	(60,241)
Charitable activities	7	<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
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>102,428</u>	<u>151,413</u>	<u>253,841</u>
Total funds carried forward	17	<u><u>130,117</u></u>	<u><u>149,274</u></u>	<u><u>279,391</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 and 2021 is shown in note 17.

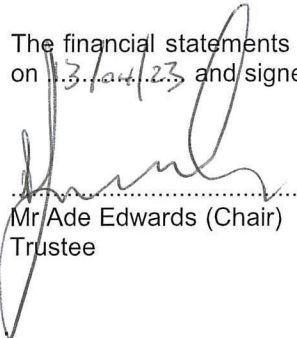
# Hugs Children's Cancer Charity (CIO)

## Balance Sheet

30 April 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	142,086	149,249
<b>Current assets</b>			
Debtors	14	14,597	12,847
Cash at bank and in hand		97,644	120,895
		<u>112,241</u>	<u>133,742</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(3,960)</u>	<u>(3,600)</u>
<b>Net current assets</b>		<u>108,281</u>	<u>130,142</u>
<b>Net assets</b>		<u>250,367</u>	<u>279,391</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		141,616	149,274
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>108,751</u>	<u>130,117</u>
<b>Total funds</b>	17	<u>250,367</u>	<u>279,391</u>

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on 31.05.22 and signed on their behalf by:

  
 .....  
 Mr Ade Edwards (Chair)  
 Trustee

# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

Year Ended 30 April 2022

### 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 - October 2019) and the Charities Act 2011.

#### Basis of preparation

Hugs Children's Cancer Charity (CIO) meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

#### 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

Post the Covid pandemic:

Fundraising events have tripled to raise funds, the charity uses social media tools to promote events and expand its social media presence.

Collection tins have been utilised and increased across the city and these are now being monitored by Sharon Hallam.

The charity has joined the Business Network International (BNI), a networking group that drives those in the group to raise funds for the charity. We also are part of the Devon and Plymouth Chamber increasing our presence in the city and gaining corporate support.

Increased capacity at both shops has led to increased funds being raised and post year end the charity invested in a van for house clearances. Our retail manager Ryan continues to find the best rates for recycling items not sold.

The decision was made in October 2022 that the charity respite home should be closed over the winter to lower running costs during the energy crisis. This excluded Christmas holidays.

With many plans in place, the trustees consider the charity has a positive way forward after the Covid pandemic.



# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

Year Ended 30 April 2022 (continued)

### **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**

#### ***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.

#### ***Other trading activities***

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.

#### **Support costs**

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

# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

Year Ended 30 April 2022 (continued)

### 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.

### 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.

# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

Year Ended 30 April 2022 (continued)

### 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.

### 2 Income from donations and legacies

	Unrestricted General fund £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	33,958	33,958	29,773
Grants, including capital grants;			
Grants from companies	-	-	5,000
National Lottery Covid assistance	10,000	10,000	10,000
Covid 19 assistance	-	-	25,000
Local Authority Covid 19 assistance	7,292	7,292	29,465
Furlough income	-	-	17,274
	<u>51,250</u>	<u>51,250</u>	<u>116,512</u>

### 3 Income from charitable activities

	Unrestricted General fund £	Total 2022 £	Total 2021 £
Non-investment property rental income	<u>4,098</u>	<u>4,098</u>	<u>2,286</u>

### 4 Income from other trading activities

	Unrestricted General fund £	Restricted £	Total 2022 £	Total 2021 £
Trading income;				
Sale of goods	130,476	-	130,476	42,316
Events income;				
Other events income	<u>33,740</u>	<u>(300)</u>	<u>33,440</u>	<u>7,442</u>
	<u>164,216</u>	<u>(300)</u>	<u>163,916</u>	<u>49,758</u>



# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

Year Ended 30 April 2022 (continued)

### 5 Investment income

	Unrestricted General fund £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest receivable on bank deposits	6	6	38

### 6 Expenditure on raising funds

#### a) Costs of trading activities

Note	Unrestricted General fund £	Total 2022 £	Total 2021 £
Fundraising trading costs;			
Publicity	2,785	2,785	-
Shop running expenses	72,440	72,440	35,455
Shop staff costs	63,002	63,002	24,786
	138,227	138,227	60,241

### 7 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2022 £	Total 2021 £
Event sales	20,398	-	20,398	1,833
Donations and gifts	6,971	-	6,971	17,667
Respite home costs	21,541	-	21,541	12,652
Direct staff costs	26,876	-	26,876	24,489
Insurance	1,410	-	1,410	1,368
Travel costs	2,447	-	2,447	1,581
Stationery and admin	5,229	-	5,229	3,583
Sundries	1,306	-	1,306	566
Depreciation	7,163	-	7,163	7,309
Support costs	-	12,766	12,766	7,915
Governance costs	-	3,960	3,960	3,840
	93,341	16,726	110,067	82,803

# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

### Year Ended 30 April 2022 (continued)

£103,359 (2021: £70,490) of the above expenditure was unrestricted and £6,708 (2021: £12,313) restricted in nature.

#### 8 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	Basis of allocation	Other support costs £	Total 2022 £	Total 2021 £
Direct staff costs	20%	6,719	6,719	6,122
Legal and professional	100%	6,047	6,047	1,793
		<u>12,766</u>	<u>12,766</u>	<u>7,915</u>

All support costs are unrestricted expenditure (2021: all unrestricted).

##### Governance costs

	Unrestricted General fund £	Total 2022 £	Total 2021 £
Independent examiner's fees	3,960	3,960	3,840
	<u>3,960</u>	<u>3,960</u>	<u>3,840</u>

All governance costs are unrestricted expenditure (2021: all unrestricted).

#### 9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>7,163</u>	<u>7,309</u>

#### 10 Trustees' remuneration and expenses

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. No trustees received any reimbursed expenses or any other benefits from the charity during the year (2021: five trustees received a Christmas hamper costing £25 each).

## Hugs Children's Cancer Charity (CIO)

### Notes to the Financial Statements

#### Year Ended 30 April 2022 (continued)

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	<u>96,597</u>	<u>55,397</u>

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

	2022 No	2021 No
Full and part time employees	<u>7</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 £33,595 (2021 - £32,216).

#### 12 Taxation

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

#### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 May 2021	<u>150,974</u>	<u>15,317</u>	<u>5,069</u>	<u>171,360</u>
At 30 April 2022	<u>150,974</u>	<u>15,317</u>	<u>5,069</u>	<u>171,360</u>
<b>Depreciation</b>				
At 1 May 2021	<u>9,057</u>	<u>8,910</u>	<u>4,144</u>	<u>22,111</u>
Charge for the year	<u>3,019</u>	<u>3,689</u>	<u>455</u>	<u>7,163</u>
At 30 April 2022	<u>12,076</u>	<u>12,599</u>	<u>4,599</u>	<u>29,274</u>
<b>Net book value</b>				
At 30 April 2022	<u>138,898</u>	<u>2,718</u>	<u>470</u>	<u>142,086</u>
At 30 April 2021	<u>141,917</u>	<u>6,407</u>	<u>925</u>	<u>149,249</u>

# Hugs Children's Cancer Charity (CIO)

## Notes to the Financial Statements

Year Ended 30 April 2022 (continued)

### 14 Debtors

	2022 £	2021 £
Prepayments	14,170	12,370
Other debtors	427	477
	<u>14,597</u>	<u>12,847</u>

### 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	<u>3,960</u>	<u>3,600</u>

### 16 Obligations under leases and hire purchase contracts

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

	2022 £	2021 £
<b>Land and buildings</b>		
Within one year	62,734	600
Between one and five years	<u>157,663</u>	<u>-</u>
	<u>220,397</u>	<u>600</u>

### 17 Funds

	Balance at 1 May 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted fund	130,117	219,570	(241,586)	650	108,751
<b>Restricted funds</b>					
Hugs Children's Cancer Charity - respite property and furniture	148,324	-	(6,708)	-	141,616
Boxing event	<u>950</u>	<u>(300)</u>	<u>-</u>	<u>(650)</u>	<u>-</u>
<b>Total restricted funds</b>	<u>149,274</u>	<u>(300)</u>	<u>(6,708)</u>	<u>(650)</u>	<u>141,616</u>
<b>Total funds</b>	<u>279,391</u>	<u>219,270</u>	<u>(248,294)</u>	<u>-</u>	<u>250,367</u>

## Hugs Children's Cancer Charity (CIO)

### Notes to the Financial Statements

#### Year Ended 30 April 2022 (continued)

##### 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. The value of assets brought forward was £148,324, a depreciation charge of £6,708 has been made this year, leaving a closing balance of £141,616.

**Boxing event fund** - The fund balance of £950 brought forward was to cover the costs of holding a boxing event. Due to the COVID 19 pandemic this event has not been able to take place. During the year £300 was returned to the donor and the unrefundable element of £650 has been transferred to unrestricted funds.

	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2021 £
<b>Unrestricted funds</b>					
<b>General</b>					
Unrestricted fund	102,428	163,594	(130,731)	(5,174)	130,117
<b>Restricted</b>					
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)	-	-
<b>Total restricted funds</b>	<b>151,413</b>	<b>5,000</b>	<b>(12,313)</b>	<b>5,174</b>	<b>149,274</b>
<b>Total funds</b>	<b>253,841</b>	<b>168,594</b>	<b>(143,044)</b>	<b>-</b>	<b>279,391</b>

##### 18 Analysis of net assets between funds

	Unrestricted General fund £	Restricted funds £	Total funds at 30 April 2022 £
Tangible fixed assets	470	141,616	142,086
Current assets	112,241	-	112,241
Current liabilities	(3,960)	-	(3,960)
<b>Total net assets</b>	<b>108,751</b>	<b>141,616</b>	<b>250,367</b>

## Hugs Children's Cancer Charity (CIO)

### Notes to the Financial Statements

#### Year Ended 30 April 2022 (continued)

	Unrestricted General fund £	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	<u>130,117</u>	<u>149,274</u>	<u>279,391</u>

#### 19 Related party transactions

During the year ended 30 April 2022 the charity paid £6,785 (2021: £8,368) to a close family member of Michael Hallam (Trustee) for employment as a shop assistant in the Hugs Children's Cancer charity shop. The charity also paid Michael Hallam's home insurance of £455 in relation to the charity's business address.

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.