

Hugs Children's Cancer Charity (CIO)

Annual Report and Financial Statements Year Ended 30 April 2023

Charity registration number: 1161382

Hugs Children's Cancer Charity (CIO)

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Hugs Children's Cancer Charity (CIO)

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 Kelly Heatley Victoria Reeve
Principal Office	PO Box 164 PLYMOUTH Devon PL1 9EP Telephone : 01752 651880 / 07812 346019 Email : enquiries@hugsfromhenry.co.uk Website: www.hugsfromhenry.co.uk

Charity Registration Number	1161382
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Solicitors	Nash & Co Beaumont House Beaumont Park PLYMOUTH Devon PL4 9BD
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GA Solicitors
Gillakaster House
25 Lockyer Street
PLYMOUTH
PL1 2QW

Independent Examiner	Francis Clark LLP Independent examiner Melville Building East Unit 18 23 Royal William Yard PLYMOUTH Devon PL1 3GW
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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 2023.

Trustees and officers

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

Trustees: Mr Ade Edwards (Chair)

Ms Zoe Edwards

Michael Hallam

Kelly Heatley

Victoria Reeve (appointed 14 January 2024)

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 (CLO)

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 Childrens Cancer Charity donation unit
1-3 Unit,
Sugar Mill Retail Park
Plymouth
PL9 7HT

Hugs Childrens Cancer Charity shop
The Broadway
Plymstock
Plymouth
PL9 7AU

Telephone: 01752 651880

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 3/5/7 nights 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, Paramount and Sky.
- Emotional support / Peer to peer 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 social media groups to support families with childhood cancer in Plymouth, Cornwall and now Exeter. Elsbeth uses social media to connect with families throughout the UK as a reach out service. 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, Treliske and more recently Royal Devon and Exeter Hospitals 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)

- We have again provided luxury Hampers and gifts at Christmas to Derriford Hospital, Bristol Children's Hospital, Royal Devon and Exeter Hospital and Royal Cornwall Hospital and hand delivered to families in the community including our bereaved families.

Our charity shops continue to be our main fundraiser for the charity. It has become a community in itself with regular customers, volunteers and its own social media platform run by our retail manager, Ryan Jackson. The retail provides job opportunity but also volunteering to adults with learning difficulties. As a result of opening the new shop and the charity moving into a larger unit on the Broadway income from the charity shops has more than doubled this year from £164k to £346k, costs have increased from £138k to £240k.

- The charity returned to organizing group events and coffee mornings for families including the popular family away days to popular sights around the country. This year we have taken two groups to the Harry Potter experience, provided zoo visits and coffee mornings at the Egg drop in Plymstock and at Jump childrens play area. Our biggest family away day will be Longleat in November in which we have applied for a National Lottery grant.

- We have employed a charity fundraiser to focus solely on bringing in the vital funds needed to run the charity. We hope to expand this team as our charity grows.

Use of volunteers

We are lucky to be supported by 30 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 part volunteers return to support the charity in raising funds through raffles and bucket collecting.

Volunteers continue to be the lifeblood of the charity, a donation of time really makes a massive difference to the amount of money we can raise.

Financial review

Net expenditure for the year was £32,810 (2022: net expenditure £29,024). The balance held in unrestricted funds at 30 April 2023 was £72,235 (2022: £108,751) of which £4,886 (2022: £470) is represented by fixed assets and is not therefore readily available. The balance held on restricted funds at the year end was £145,322 (2022: £141,616).

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 £67,349 which equates to 2 months of expenditure based on the last financial year. 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. The home continues to be open all year.
- 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 hope moving into 2024 that this will increase as fundraising pressures are taken off our CEO, Elsbeth, with the new fundraiser.
- We will continue to provide our annual Children's Cancer Ball free of charge to the local oncology children and their families.
- 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 hope to increase the away days from 2 a year to 3 or 4 a year.
- We will continue to provide gifts and hampers at Christmas to local hospitals. We are happy to have expanded this year to support all of Devon and Cornwall's main children's departments with these in 2023.
- We will continue to provide cooked meals to those in treatment when requested. Vouchers and care packs will hopefully grow as the charity fundraising grows.

How do we fund our missions?

- Charity Shop
- Fundraising events
- Sponsored runs, walks, skydives etc.
- Corporate sponsorship
- Grants from National grant givers ie National Lottery, Comic relief, Red nose day, Global Make Some Noise, St James Place

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 works as a senior manager within a drug and alcohol charity in Plymouth and has worked exclusively in the third sector for the last 20 years. Ade brings knowledge and understanding of how charities operate, their legal framework and financial underpinnings to the board of trustees of which he is currently chair.

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 long standing support to Hugs from its conception in 2015. Zoe is a registered nurse with over 20 years experience, she brings her wealth of medical knowledge and practice nurse experience to the Board.

Kelly Heatley

Kelly first started at Hugs as a volunteer helping raise thousands and being a part of the original pride of Plymouth fundraising teams. Kelly brings this experience to the Board of Trustees and is pivotal in fundraising ideas and campaigns.

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.

The charity uses social media tools to promote events and expand its social media presence.

Collection tins have continued to be utilised and increased across the city, these are 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.

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

Hugs Children's Cancer Charity (CIO)

Trustees' Report (continued)

2023-2024 and onwards

We have an exciting few years ahead for our charity giving elements and these include the following;

A renovation of the Respite home, including changing the bottom bathroom to wet room to make the home more disability friendly. We will be applying to various grant giving charities for support in this process.

Family away days are always very popular events in the hugs calendar and we hope to expand on the amount of these we do each year. These give families the ability to do a fun day out free of cost, bringing the family unit together but also giving families the ability to speak to others who are going through similar circumstances. In 2022-2023 we organised a trip to Harry Potter studios, Paignton zoo and Longleat safari festival of lights. Next year we would like to offer families a trip to a local attraction, a theme park, a possible London trip and back to Longleat at Christmas. All planned events are based on amount fundraised.

The children's cancer ball/disco will be taking place in 2024 expanding to allow for more people to attend.

Future fundraising

With the exciting start of a fundraiser at the charity, we look forward to expanding our fundraising totals in 2024.

We are excited to hold our Strictly Hugs dancing ball again in 2024. This will be the 6th year we have organized and has become a firm favorite with our patrons. We hope to raise upwards of £10k at this event.

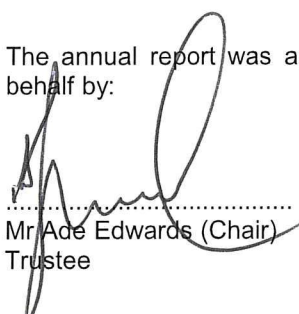
Our Christmas event this year was held at the Boringdon Park and golf club and was a wonderful festive community event. We hope to organise this event again in 2024 and explore other events in this location.

We will be hosting a couple of large scale corporate events throughout the year, hoping to raise upwards of thirty thousand pounds.

We will be holding a Silent disco event this year and hope to raise between £2-£3k. We will also look to hire out the equipment to raise funds.

We have applied for various grants nationally to help the charity on its missions including the away days and we hope that this will help in funding more events.

The annual report was approved by the trustees of the charity on 06/02/2024 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.

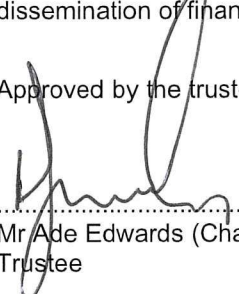
The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial 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 06/02/2024 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 2023.

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

Since Hugs Children's Cancer Charity (CIO)'s gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of FCA, which is one of the listed bodies.

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
Unit 18
23 Royal William Yard
PLYMOUTH
Devon
PL1 3GW

Date: 13/02/2024

Hugs Children's Cancer Charity (CIO)

Statement of Financial Activities

Year Ended 30 April 2023

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

	Note	Unrestricted £	Restricted £	Total 2023 £
Income and Endowments from:				
Donations and legacies	2	17,287	8,150	25,437
Charitable activities	3	3,524	-	3,524
Other trading activities	4	345,670	-	345,670
Investment income	5	72	-	72
Total Income		<u>366,553</u>	<u>8,150</u>	<u>374,703</u>
Expenditure on:				
Raising funds	6	(240,386)	-	(240,386)
Charitable activities	7	<u>(162,683)</u>	<u>(4,444)</u>	<u>(167,127)</u>
Total Expenditure		<u>(403,069)</u>	<u>(4,444)</u>	<u>(407,513)</u>
Net movement in funds		(36,516)	3,706	(32,810)
Reconciliation of funds				
Total funds brought forward		<u>108,751</u>	<u>141,616</u>	<u>250,367</u>
Total funds carried forward	17	<u><u>72,235</u></u>	<u><u>145,322</u></u>	<u><u>217,557</u></u>

Hugs Children's Cancer Charity (CIO)

Statement of Financial Activities

Year Ended 30 April 2023 (continued)

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

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
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>
Expenditure on:				
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>	-
Net movement in funds		(21,366)	(7,658)	(29,024)
Reconciliation of funds				
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>

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

The funds breakdown for 2023 and 2022 is shown in note 17.


Hugs Children's Cancer Charity (CIC)

Balance Sheet

30 April 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	142,058	142,086
Current assets			
Debtors	14	11,224	14,597
Cash at bank and in hand		<u>73,475</u>	<u>97,644</u>
		84,699	112,241
Creditors: Amounts falling due within one year	15	<u>(9,200)</u>	<u>(3,960)</u>
Net current assets		<u>75,499</u>	<u>108,281</u>
Net assets		<u>217,557</u>	<u>250,367</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		145,322	141,616
Unrestricted income funds			
Unrestricted funds		<u>72,235</u>	<u>108,751</u>
Total funds	17	<u>217,557</u>	<u>250,367</u>

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on 06/02/2024 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 2023

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 - January 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

The charity uses social media tools to promote events and expand its social media presence.

Collection tins continue to be utilised and increased across the city and these are 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.

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

Hugs Children's Cancer Charity (CIO)

Notes to the Financial Statements

Year Ended 30 April 2023 (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 2023 (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 2023 (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 £	Restricted £	Total 2023 £	Total 2022 £
Donations and legacies;				
Donations from individuals	17,287	-	17,287	33,958
Grants, including capital grants;				
National Lottery Funding	-	8,150	8,150	-
National Lottery Covid assistance	-	-	-	10,000
Local Authority Covid 19 assistance	-	-	-	7,292
	<u>17,287</u>	<u>8,150</u>	<u>25,437</u>	<u>51,250</u>

3 Income from charitable activities

	Unrestricted General fund £	Total 2023 £	Total 2022 £
Non-investment property rental income	<u>3,524</u>	<u>3,524</u>	<u>4,098</u>

4 Income from other trading activities

	Unrestricted General fund £	Total 2023 £	Total 2022 £
Trading income;			
Sale of goods	312,955	312,955	130,476
Events income;			
Other events income	<u>32,715</u>	<u>32,715</u>	<u>33,440</u>
	<u>345,670</u>	<u>345,670</u>	<u>163,916</u>

Hugs Children's Cancer Charity (CIO)

Notes to the Financial Statements

Year Ended 30 April 2023 (continued)

5 Investment income

	Unrestricted General fund £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	72	72	6

6 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted General fund £	Total 2023 £	Total 2022 £
Fundraising trading costs;			
Publicity	7,224	7,224	2,785
Shop running expenses	108,416	108,416	72,440
Shop staff costs	124,746	124,746	63,002
	240,386	240,386	138,227

7 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2023 £	Total 2022 £
Event costs	38,884	-	38,884	20,398
Donations and gifts	16,216	-	16,216	6,971
Respite home costs	23,444	-	23,444	21,541
Direct staff costs	29,306	-	29,306	26,876
Insurance	2,151	-	2,151	1,410
Travel costs	14,926	-	14,926	2,447
Stationery and admin	5,468	-	5,468	5,229
Sundries	3,529	-	3,529	1,306
Depreciation	6,890	-	6,890	7,163
Support costs	-	15,289	15,289	12,766
Governance costs	-	11,024	11,024	3,960
	140,814	26,313	167,127	110,067

Hugs Children's Cancer Charity (CIO)

Notes to the Financial Statements

Year Ended 30 April 2023 (continued)

£162,683 (2022: £103,359) of the above expenditure was unrestricted and £4,444 (2022: £6,708) restricted in nature.

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Other support costs £	Total 2023 £	Total 2022 £
Direct staff costs	20%	7,327	7,327	6,719
Legal and professional	100%	7,962	7,962	6,047
		<u>15,289</u>	<u>15,289</u>	<u>12,766</u>

All support costs are unrestricted expenditure (2022: all unrestricted).

Governance costs

	Unrestricted General fund £	Total 2023 £	Total 2022 £
Independent examiner fees			
Examination of the financial statements	5,500	5,500	3,960
Accountancy underprovided	1,800	1,800	-
Other fees paid to Independent Examiner	1,900	1,900	-
Other fees unprovided	1,824	1,824	-
	<u>11,024</u>	<u>11,024</u>	<u>3,960</u>

All governance costs are unrestricted expenditure (2022: all unrestricted).

9 Net outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Operating leases - other assets	73,926	31,937
Depreciation of fixed assets	<u>6,890</u>	<u>7,163</u>

Hugs Children's Cancer Charity (CIO)

Notes to the Financial Statements

Year Ended 30 April 2023 (continued)

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 11. 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 (2022: none).

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	<u>161,379</u>	<u>96,597</u>

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

	2023 No	2022 No
Full and part time employees	<u>13</u>	<u>7</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 £36,633 (2022 - £33,595).

12 Taxation

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

Hugs Children's Cancer Charity (CIO)

Notes to the Financial Statements

Year Ended 30 April 2023 (continued)

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 May 2022	150,974	15,317	5,069	171,360
Additions	-	3,419	3,443	6,862
At 30 April 2023	150,974	18,736	8,512	178,222
Depreciation				
At 1 May 2022	12,076	12,599	4,599	29,274
Charge for the year	3,019	2,280	1,591	6,890
At 30 April 2023	15,095	14,879	6,190	36,164
Net book value				
At 30 April 2023	135,879	3,857	2,322	142,058
At 30 April 2022	138,898	2,718	470	142,086

14 Debtors

	2023 £	2022 £
Prepayments	11,224	14,170
Other debtors	-	427
	11,224	14,597

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	9,200	3,960

16 Obligations under leases and hire purchase contracts

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

	2023 £	2022 £
Land and buildings		
Within one year	62,734	62,734
Between one and five years	94,929	157,663
	157,663	220,397

Hugs Children's Cancer Charity (CIO)

Notes to the Financial Statements

Year Ended 30 April 2023 (continued)

17 Funds

	Balance at 1 May 2022 £	Incoming resources £	Resources expended £	Balance at 30 April 2023 £
Unrestricted funds				
General				
Unrestricted fund	108,751	366,553	(403,069)	72,235
Restricted funds				
Hugs Children's Cancer Charity - respite property and furniture	141,616	-	(4,444)	137,172
National Lottery funding	-	8,150	-	8,150
Total restricted funds	<u>141,616</u>	<u>8,150</u>	<u>(4,444)</u>	<u>145,322</u>
Total funds	<u>250,367</u>	<u>374,703</u>	<u>(407,513)</u>	<u>217,557</u>

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 £141,616, a depreciation charge of £4,444 has been made this year, leaving a closing balance of £137,172.

National Lottery funding - during the year the charity received £8,150 towards a trip to Longleat Safari Park for families. These funds have been carried forward towards the future cost of the trip scheduled for November 2023.

	Balance at 1 May 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2022 £
Unrestricted funds					
General					
Unrestricted fund	130,117	219,570	(241,586)	650	108,751
Restricted					
Hugs Children's Cancer Charity - respite property and furniture	148,324	-	(6,708)	-	141,616
Boxing event	950	(300)	-	(650)	-
Total restricted funds	<u>149,274</u>	<u>(300)</u>	<u>(6,708)</u>	<u>(650)</u>	<u>141,616</u>
Total funds	<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 2023 (continued)

18 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 April 2023 £
Tangible fixed assets	4,886	137,172	142,058
Current assets	76,549	8,150	84,699
Current liabilities	(9,200)	-	(9,200)
Total net assets	<u>72,235</u>	<u>145,322</u>	<u>217,557</u>

	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)
Total net assets	<u>108,751</u>	<u>141,616</u>	<u>250,367</u>

19 Related party transactions

During the year ended 30 April 2023 the charity paid £1,350 (2022: £6,785) 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.