

Charity registration number: 1161382

Hugs Children's Cancer Charity CIO

Annual Report and Financial Statements

for the Year Ended 30 April 2025



Hugs Children's Cancer Charity CIO

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Hugs Children's Cancer Charity CIO

Reference and Administrative Details

Chairman	Ade Edwards
Chief Executive Officer	Elsbeth Hallam, Co-founder
Trustees	Vicky Reeve Zoe Edwards Michael Hallam Kelly Heatley Ade Edwards
Charity Registration Number	1161382
Principal Office	PO Box 164 Plymouth Devon PL1 9EP
Independent Examiner	Westcotts (SW) LLP Independent examiner Plym House 3 Longbridge Road Marsh Mills Plymouth Devon PL6 8LT
Solicitors	GA Solicitors 25 Lockyer Street Plymouth PL1 2QW
Bankers	Barclays Bank Plymouth 140-146 Armada Way Plymouth Devon PL1 1LA

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 2025.

Objectives and activities

Objects and aims

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.

WHAT HAVE WE ACHIEVED THIS YEAR?

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. The property is well-maintained, safe, accessible, and well resourced to provide the families with a relaxing and luxurious break. This year we have also invested in a new shower room on the ground floor to further support the use of the property for users with physical disabilities.
- Emotional support and peer-to-peer support is provided through our family liaison officer, Elsbeth Hallam, who speaks to many families locally and nationally, providing one to one advice and emotional support. Elsbeth, also manages social media groups to support families with childhood cancer in Devon and Cornwall. She 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 within Plymouth Derriford Hospital, Bristol Children's Hospital, Treliske and Royal Devon and Exeter Hospitals. Our family support worker, Elsbeth, also continues to visit hospitals nationally to support families with neuroblastoma. The care packs generally consist of small treats, pyjama's, toiletries and food vouchers for the family.
- We continue to provide seasonal gifts of Easter eggs and luxury Hampers and gifts at Christmas to hospitals in the South West of England and hand delivered parcels and presents to families in the community, including our bereaved families. We have regularly provided new toys to the hospital play departments and treasure chest toys for any child having small treatments, procedures and tests.
- The charity has organized group events and coffee mornings for families, including private cinema screenings and our annual Christmas party. This provides families with the opportunity to meet other people who have also been in similar situations, important peer-to-peer support for the whole family. Funded events for individuals and siblings include go karting and airsoft, and we hope to continue and grow this into 2026 utilizing the Hugs Hub.
- The charity has been nominated for several awards this year including the Charity of the Year for both the West Country Women awards and the Great British Community Awards.
- In April 2025 we opened our first Hugs Hub, a wellness Centre for families to visit for peer to peer support, formal counselling and play therapy. The mental health support has been well utilised, especially by siblings who are often sidelined when a child is diagnosed with cancer.

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

Elsbeth often travels to meet with families in hospital, giving families one-to-one in person emotional support, ensuring that each individual is provided with unique and supportive care, adapted around their own individual treatment plans and cancer journeys

OUR VISION FOR 2026

This year we have conducted an impact survey and the results of this have shown that what we are providing is popular and well needed. We therefore have looked at the vision for 2026 and how we can grow to support more families.

- In 2026 we hope to expand our Hugs Wellness Hub, employing a second counsellor and doing a monthly coffee morning. The space provides a place for families to come and speak to a member of the family support team, provide counselling to those who need it and play therapy for the children in treatment and their siblings. The plan is for the Derriford oncology nurses team to be able to use the space when needed. We want the Hub to be a leading support service in the local area for children and youth mental health, linked to childhood cancer.
- We will continue to provide respite to families with childhood cancer, in treatment, post treatment and to those who have been left 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 respite home continues to be open all year. We hope to renovate a further bathroom in the next two years.
- We will be increasing our visits to hospitals within the South West to provide care packs and emotional support to local families being treated in these areas. We will be organising visits with local entertainers who can also visit the hospital. We provide emotional support over the phone, email or via social media platforms for any family with neuroblastoma nationally. We hope to also visit Derriford's oncology clinic quarterly to provide support.
- We will continue to provide our annual Children's Cancer Ball / Party free of charge to the local oncology children and their families. We would like to increase the provision for another gathering/family fun day for the summer months.
- 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. This will be varied at different locations.
- The private cinema screenings have proven popular and we will be increasing these throughout the year.
- We will continue to provide gifts and hampers at Christmas to local hospitals and communities and chocolate eggs and crafts during Easter.
- We will continue to provide cooked meals to those in treatment when requested. Vouchers and care packs will hopefully increase as the charity fundraising grows.
- In 2025, the charity celebrated 10 years of being a registered charity with the charity commission, this was a momentous achievement through challenging times for the world with the covid pandemic and Brexit.
- A continuation of renovating the Respite home bathrooms will be sought after in 2026. To do this we will be requesting funding from B&Q foundation and Screwfix foundation.
- The Hugs Hub and Wellness Centre will host monthly coffee mornings and other smaller group events as well as offering alternative therapies and clinics.

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

- 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. All planned events are based on amount fundraised.
- The children's cancer ball/disco will be taking place in 2026 after a successful 2025 at our new venue of Plymouth Argyle. We will also be looking at hosting a family fun day in the summer.

Donated services and facilities

Alongside the generous donations of items for sale in our shops we receive items from many sources, including companies who have nominated as their charity of the year, and via collection points in local retailers such as Dunelm Mill. Through her involvement in BNI Endeavour Plymouth, Elsbeth has been able to secure the support of the following business to significantly reduce the set up costs of the new Hub facility and wishes to extend the charities thanks to these parties.

- Davenport Homes
- Leydon Limited
- Dave Wasteaway
- Mark Dawson

The charity do not include the value of these donated services and goods in their financial reporting, as the value of these items cannot be reliably measured.

2026 AND ONWARDS

Fundraising Disclosures

The charity runs three 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 donation unit

1-3 Unit
Sugar Mill Retail Park
Plymouth
PL9 7HT

Hugs Children's Cancer Charity Shop

The Broadway
Plymstock
Plymouth
PL9 7AU

Hugs Childrens Cancer Charity Shop

14 Phelps Road
Devonport
Plymouth
PL1 4FS

Telephone: 01752 651880

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

FUNDRAISING MISSIONS

As the charity grows the need for fundraising has increased, the new wellness unit, the Hugs Hub, has increased our fundraising missions due to the costs of individual counselling being provided as well as rent and utilities.

The world economics have also impacted the charity over the last 18 months with national wage increases, energy costs and utilities increase and a change in the recycling trade that has impacted our shop costs.

Our monthly respite home costs have also increased significantly due to increase of costs in the swimming pool, maintenance and waste.

Our Charity Shops continue to be our main source of fundraising. 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 opportunities but also volunteering to adults with learning difficulties.

We have a charity fundraiser, Jemma Jones, whose role is to focus solely on bringing in the vital funds needed to run the charity. She does this through corporate networking, large scale events, and grant applications. We hope to expand this team as our charity grows and the fundraising needs grow with it.

FUTURE FUNDRAISING/ HOW DO WE FUND OUR MISSIONS?

- Charity Shops
- Fundraising events i.e. Golf days, Strictly Hugs Dancing ball
- Sponsored runs, walks, skydives etc.
- Corporate sponsorship
- Grants from National and local grant givers i.e. National Lottery, Comic relief, Red nose day, Global make some noise, St James Place, Livewell foundation, Lady Astor.
- Legacy and Wills
- Community Lottery platform

We are excited to hold our Strictly Hugs Dancing Ball again in 2026. This will be the 8th year we have organized this event and it has become a firm favourite with our patrons. We hope to train 8 novice dancers and raise upwards of £10k at this event.

Our annual golf day in April hopes to be a sell out and raise upwards of £3k.

We are actively looking for participants to take on challenges such as sky diving, running events and asking those people to set up just giving pages.

We have 24 spaces in the 2026 London Landmarks half marathon, this is a great event for participants to take part in a challenge while raising a minimum of £350 on just giving. We hope to raise £5k from this yearly event.

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.

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 a Director of Expedite Building Services and a Board Director of Expedite Holding Group, with over 18 years of electrical engineering experience. He has experience of managing large numbers of staff, engineering projects and running a SME business. He brings relevant leadership, knowledge and experience from his work but most critically the understanding of being a father in the paediatric oncology field.

ZOE EDWARDS

Zoe has been a long-standing support to the charity 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 the charity as a volunteer helping raise thousands and being a part of the original award winning 'Pride of Plymouth' fundraising team. Kelly brings this experience and passion to the board of trustees and is pivotal in fundraising ideas and campaigns.

VICKY REEVES

Vicky joined us in 2024 and has a vast experience in directly working with children in a charity setting through community sport initiatives at Devon Cricket Foundation. She brings a wealth of compassion and knowledge on disabilities, poverty and mental health of children in all social backgrounds.

COMPANY DIRECTOR/CEO/FAMILY SUPPORT;

Elsbeth Hallam - Elsbeth serves as Chief Executive officer of the charity on an unpaid basis. She receives compensation solely for her separate role as Family support worker, providing emotional support, counselling and play therapy. This salary is included in direct charitable expenditure.

Elsbeth continues to drive the charity forward with her passion for change and knowledge and personal experience of childhood cancer. She is passionate about supporting families and meeting those who are going through childhood cancer.

As well as winning a Pride of Britain for fundraising, Elsbeth has continued to be nominated and win awards over the last few years.

Elsbeth was nominated in 2024 for a 'one big thank you' on the BBC's The One show, starring alongside Wayne Rooney. This was a very special moment for Elsbeth, but also the families and everyone involved.

She was also a runner up in the West country women awards for an inspirational leader and shortlisted for a Phoenix award, recognizing growth from unimaginable circumstances.

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

Elsbeth was recently founding president of BNI Endeavour, where she drove the charity within the business community, raising over £30,000 in the last 12 months in donations and local business people supporting Hugs within running of the charity via building work, waste and cleaning services.

Elsbeth is also a member of the Plymouth Argyle five host table where she has built relationships with local businesses in the room, gaining sponsorships and attendees for events, and where chosen as sleeve sponsors for an FA cup game.

RETAIL DEVELOPMENT MANAGER

Ryan Jackson – As our retail manager, he actively encourages supporting people in the community with learning difficulties to work in the retail 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.

OTHER STAFF;

Claire Johnson Deputy Retail manager

Rebecca Case Volunteer manager of Broadway

Jaqueline Young Shop Supervisor

Jemma Jones Fundraiser

VOLUNTEERS

We are lucky to be supported by 30 regular volunteers across all three shopping units. Volunteers continue to be the lifeblood of the charity, a donation of time really makes a massive difference to the amount of funds we can raise. These volunteers also help at events, for example the charity balls often sees volunteers return to support the charity in raising funds through raffles and bucket collecting.

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

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.

Hugs Children's Cancer Charity has delivered the following activities for the public benefit which are in accordance with our charitable objectives and aims:

- The respite home continues to provide unique breaks for families affected with childhood cancer.
- We continue to provide Emotional support / Peer to peer support, now supported through our new Hub facility
- We have provided emotional support and delivered 'care packs' to the families affected by childhood cancer during hospital visits.
- Provision of hampers and gifts at Christmas to the hospitals in the South West of England and hand delivered parcels and presents to families in the community.
- Our charity shops continue to be our main fundraiser for the charity.
- We continue to organise group events and coffee mornings for families, including the popular family away days to popular sites around the country.

FINANCIAL REVIEW

Policy on reserves

The trusts 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 financial year end free reserves were **£74,896** which equates to **1.3** 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 forwards.

Structure, governance and management

Nature of governing document

The trust is a registered charity (number 1161382), a charitable incorporated organization (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.

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.

Induction and training of trustees

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. She organizes quarterly trustee meetings 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 £1000.

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 hub and counselling services.

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

Risks

Major risks and management of those risks

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 Womble Bond Dickenson regarding shop leases, as well as the combined expertise and experience from all our trustees.

Human resource advice is also undertaken and advised by Johnathan Keeble from Business Success. He is able to advise on any staffing issues and give best practice advice when needed as the charity grows. A staff handbook has been written by our solicitors, GA Solicitors, and provided to all staff as a part of our ongoing risk management.

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.

Trustees and officers

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

Trustees:	Vicky Reeve
	Zoe Edwards
	Michael Hallam
	Kelly Heatley
	Ade Edwards
Chairman:	Ade Edwards
Chief Executive Officer:	Elsbeth Hallam, Co-founder

Hugs Children's Cancer Charity CIO

Trustees' Report (continued)

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.

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.

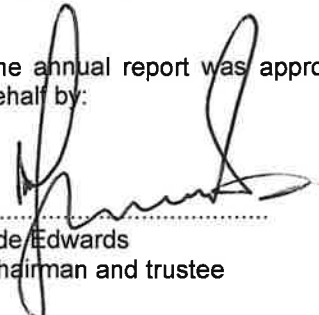
The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial 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 Charities (Accounts and Reports) Regulations 2008, 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.

The annual report was approved by the trustees of the charity on 27.2.26 and signed on its behalf by:



.....
Ade Edwards
Chairman and 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 2025.

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 ACCA, 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.



Matthew Keane FCCA
Westcotts (SW) LLP
Independent examiner
Plym House
3 Longbridge Road
Marsh Mills
Plymouth
Devon
PL6 8LT

Date: 27.2.26

Hugs Children's Cancer Charity CIO

Statement of Financial Activities for the Year Ended 30 April 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	2	44,212	-	44,212	60,246
Other trading activities	3	620,141	-	620,141	485,980
Investment income	4	706	-	706	493
Total income		<u>665,059</u>	<u>-</u>	<u>665,059</u>	<u>546,719</u>
Expenditure on:					
Raising funds	5	(507,150)	-	(507,150)	(405,717)
Charitable activities	6	(154,236)	(11,019)	(165,255)	(146,476)
Total expenditure		<u>(661,386)</u>	<u>(11,019)</u>	<u>(672,405)</u>	<u>(552,193)</u>
Net income/(expenditure)		<u>3,673</u>	<u>(11,019)</u>	<u>(7,346)</u>	<u>(5,474)</u>
Net movement in funds		3,673	(11,019)	(7,346)	(5,474)
Reconciliation of funds					
Total funds brought forward		<u>71,223</u>	<u>140,860</u>	<u>212,083</u>	<u>217,557</u>
Total funds carried forward	16	<u>74,896</u>	<u>129,841</u>	<u>204,737</u>	<u>212,083</u>

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

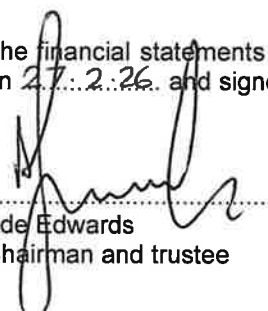
The funds breakdown for 2024 is shown in note 16.

Hugs Children's Cancer Charity CIO

(Registration number: 1161382)
Balance Sheet as at 30 April 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	132,999	136,215
Current assets			
Debtors	13	14,908	19,738
Cash at bank and in hand		<u>65,451</u>	<u>67,628</u>
		80,359	87,366
Creditors: Amounts falling due within one year	14	<u>(8,621)</u>	<u>(11,498)</u>
Net current assets		<u>71,738</u>	<u>75,868</u>
Net assets		<u>204,737</u>	<u>212,083</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		129,841	140,860
Unrestricted income funds			
Unrestricted funds		<u>74,896</u>	<u>71,223</u>
Total funds	16	<u>204,737</u>	<u>212,083</u>

The financial statements on pages 13 to 26 were approved by the trustees, and authorised for issue on 27.2.26 and signed on their behalf by:



Ade Edwards
Chairman and trustee

Hugs Children's Cancer Charity CIO

Cash Flow Statement for the Year Ended 30 April 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash expenditure		(7,346)	(5,474)
Adjustments to cash flows from non-cash items			
Depreciation	5	5,282	6,552
Investment income	4	(706)	(493)
		(2,770)	585
Working capital adjustments			
Decrease/(increase) in debtors	13	4,830	(8,514)
(Decrease)/increase in creditors	14	(2,877)	2,298
Net cash flows from operating activities		(817)	(5,631)
Cash flows from investing activities			
Interest receivable and similar income	4	706	493
Purchase of tangible fixed assets	12	(2,066)	(709)
Net cash flows from investing activities		(1,360)	(216)
Net decrease in cash and cash equivalents		(2,177)	(5,847)
Cash and cash equivalents at 1 May		67,628	73,475
Cash and cash equivalents at 30 April		65,451	67,628

All of the cash flows are derived from continuing operations during the above two periods.

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025

1 Accounting policies

Statement of compliance

The charity has been registered in England and Wales as a CIO since 2015. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) 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 note(s) to these accounts.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval 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.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income. This will be released to Income only once all performance conditions are met.

Where grants are awarded but not received at the year end and the rights to receive the funds are confirmed without conditions, the income will be included in the SOFA and recorded as accrued income within debtors.

Donated services and facilities

Donated goods and services are only included under income and matched to a corresponding expense when the value can be measured reliably.

Other trading activities

Money raised from sales via the charity shops is recognised upon receipt of funds.

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

Investment income

Bank interest is recognised upon 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, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments 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 provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, 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 costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

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
Land and buildings	2% straight line
Computer equipment	33% straight line
Fixtures and fittings	25% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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.

Pensions and other post retirement obligations

The charity operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Donations and legacies;			
Donations from companies and other trading entities	23,445	23,445	-
Donations from individuals	15,767	15,767	60,246
Grants, including capital grants;			
Grants from other charities	5,000	5,000	-
	<u>44,212</u>	<u>44,212</u>	<u>60,246</u>

3 Income from other trading activities

	Unrestricted funds General £	Total funds £	Total 2024 £
Trading income;			
Shop income from sale of donated goods and services	587,998	587,998	439,891
Events income;			
Other events income	25,281	25,281	39,215
Property rental income	6,862	6,862	6,874
	<u>620,141</u>	<u>620,141</u>	<u>485,980</u>

4 Investment income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Interest receivable and similar income;			
Interest receivable on bank deposits	706	706	493

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

5 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Fundraising trading costs;			
Publicity expenses	13,136	13,136	2,043
Shop running expenses	135,412	135,412	126,849
Shop staff costs	328,307	328,307	231,748
Event expenses	30,295	30,295	45,077
	<u>507,150</u>	<u>507,150</u>	<u>405,717</u>

6 Expenditure on charitable activities

Note	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and gifts	9,820	-	9,820	21,354
Respite home costs	20,005	8,000	28,005	14,665
Insurance	9,458	-	9,458	4,239
Travel and networking costs	5,363	-	5,363	12,718
Stationery and admin	660	-	660	2,174
Sundries	4,931	-	4,931	4,026
Direct charitable expenditure	11,317	-	11,317	-
Depreciation, amortisation and other similar costs	2,263	3,019	5,282	6,552
Grant funding of activities	680	-	680	-
Staff costs	56,723	-	56,723	44,754
Allocated support costs	24,234	-	24,234	20,592
Governance costs	8,782	-	8,782	15,402
	<u>154,236</u>	<u>11,019</u>	<u>165,255</u>	<u>146,476</u>

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Total 2025 £	Total 2024 £
Direct staff costs	-	7,846
Legal and professional	24,234	12,746
	<u>24,234</u>	<u>20,592</u>

Governance costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Fees paid to Independent Examiner	8,782	8,782	15,402
	<u>8,782</u>	<u>8,782</u>	<u>15,402</u>

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Michael Hallam

Michael Hallam is married to the founder and CEO Elsbeth Hallam, Elsbeth has operational control of the day to day financial operations.

Michael is the director of Expedite Building Services Ltd. Expedite has supported the company during the year with unrestricted financial donations totalling £3,500. A further £500 was received from Expedite in line with an arms length sponsorship opportunity.

During the year expenditure on one nights hotel accommodation was incurred in order for Michael to attend the London Landmarks Half Marathon in his role as a trustee, to support the runners at the event and promote the charity to the wider public.

Where he attended any other event held by the charity, his expenses were entirely covered from personal funds and paid at the open market rate.

Zoe Edwards

£Nil (2024: £338) of expenses were reimbursed to Zoe Edwards during the year.

Kelly Heatley

£Nil (2024: £329) of expenses were reimbursed to Kelly Heatley during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £Nil for the year (2024 - £161).

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

9 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	360,550	300,234
Social security costs	18,702	11,905
Pension costs	5,778	4,310
	<u>385,030</u>	<u>316,449</u>

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

	2025 No	2024 No
Average number of employees	<u>31</u>	<u>22</u>

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

The remuneration for Elsbeth Hallam is included within direct charitable costs. Elsbeth does not take any further salary to cover her role as CEO. Her salary represents the hours supplied as a professional family support counsellor. This salary is set by the trustees with reference to other similar roles in the area. We also have due regard for minimum wage legislation and the significant number of hours which our CEO puts into supporting our families and promoting the charity to obtain funding for our projects and services. The total salary paid to Elsbeth before employers National Insurance and statutory pension contributions was £28,711.

10 Independent examiner's remuneration

	2025 £	2024 £
Other fees to examiners		
Independent examination services	2,220	6,098
All other accounting and assurance services	3,840	5,400
Other support and bookkeeping services	2,722	3,904
	<u>8,782</u>	<u>15,402</u>

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

11 Taxation

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

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 May 2024	150,974	27,957	178,931
Additions	-	2,066	2,066
Disposals	-	(2,470)	(2,470)
At 30 April 2025	<u>150,974</u>	<u>27,553</u>	<u>178,527</u>
Depreciation			
At 1 May 2024	18,114	24,602	42,716
Charge for the year	3,019	2,263	5,282
Eliminated on disposals	-	(2,470)	(2,470)
At 30 April 2025	<u>21,133</u>	<u>24,395</u>	<u>45,528</u>
Net book value			
At 30 April 2025	<u>129,841</u>	<u>3,158</u>	<u>132,999</u>
At 30 April 2024	<u>132,860</u>	<u>3,355</u>	<u>136,215</u>

13 Debtors

	2025 £	2024 £
Trade debtors	-	5,863
Prepayments	<u>14,908</u>	<u>13,875</u>
	<u>14,908</u>	<u>19,738</u>

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	1,661	-
Accruals	<u>6,960</u>	<u>11,498</u>
	<u>8,621</u>	<u>11,498</u>

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

15 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2025 £	2024 £
Land and buildings		
Within one year	76,083	51,000
Between one and five years	163,958	57,500
After five years	23,958	-
	<u>263,999</u>	<u>108,500</u>
Other		
Within one year	12,326	12,326
Between one and five years	5,136	16,434
	<u>17,462</u>	<u>28,760</u>

16 Funds

	Balance at 1 May 2024 £	Incoming resources £	Resources expended £	Balance at 30 April 2025 £
Unrestricted funds				
<i>General</i>				
Unrestricted fund	71,223	665,059	(661,386)	74,896
Restricted funds				
Respite property and furniture	132,860	-	(3,019)	129,841
Screwfix donation	8,000	-	(8,000)	-
	<u>140,860</u>	<u>-</u>	<u>(11,019)</u>	<u>129,841</u>
Total funds	<u>212,083</u>	<u>665,059</u>	<u>(672,405)</u>	<u>204,737</u>

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

	Balance at 1 May 2023 £	Incoming resources £	Resources expended £	Balance at 30 April 2024 £
Unrestricted funds				
General				
Unrestricted fund	72,235	538,719	(539,731)	71,223
Restricted funds				
Respite property and furniture	137,172	-	(4,312)	132,860
National Lottery funding	8,150	-	(8,150)	-
Screwfix donation	-	8,000	-	8,000
	<u>145,322</u>	<u>8,000</u>	<u>(12,462)</u>	<u>140,860</u>
Total funds	<u>217,557</u>	<u>546,719</u>	<u>(552,193)</u>	<u>212,083</u>

Respite Property - building, fixtures and furnishings

- this fund relates to the holiday property purchased to provide respite for the charities families during treatment. The full cost and depreciation charges are set out in note 13.

National Lottery funding -

this balance was spent fully in 2024 on a supported trip for Hugs families to Longleat Safari Park.

Screwfix grant -

- this award was provided to enable the renovation of the bathroom at the respite home. All works were completed and all funds received expended on the project during 2025.

17 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 April 2025 £
Tangible fixed assets	3,158	129,841	132,999
Current assets	80,359	-	80,359
Current liabilities	(8,621)	-	(8,621)
Total net assets	<u>74,896</u>	<u>129,841</u>	<u>204,737</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 30 April 2024 £
Tangible fixed assets	3,355	132,860	136,215
Current assets	87,366	-	87,366
Current liabilities	(11,498)	-	(11,498)
Total net assets	<u>79,223</u>	<u>132,860</u>	<u>212,083</u>

Hugs Children's Cancer Charity CIO

Notes to the Financial Statements for the Year Ended 30 April 2025 (continued)

18 Related party transactions

During the year the charity made the following related party transactions:

Michael Hallam is a trustee and is the husband of the CEO and founder Elsbeth Hallam. Given Michael's role as a trustee, all related party transactions involving Michael are set out in note 10 - Trustees remuneration and expenses.

At the start of the year the charity was operated from Elsbeth and Michael's home. Expenses were paid to reimburse them for a proportion of the utility costs of the property £ 3,115 (2024 £570). During the year all day to day operations were moved to the new Hub property, and all payments to Elsbeth and Michael for use of their home have ceased.

There were no other related party transactions during the year which require disclosure other than those above or disclosed in note 10. At the balance sheet date the amount due to/from was £Nil (2024 - £Nil).