



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

## Trustees' Annual Report for the period

**From** 1<sup>st</sup> June 2020    **Period start date**    **To** 31<sup>st</sup> May 2021    **Period end date**

**Charity name:** The Hugs Foundation

**Charity registration number:** 1175633

## Objectives and Activities

	SORP reference	
Summary of the purposes of the charity as set out in its governing document	Para 1.17	<p>The Hugs Foundation is a horse rescue centre that also provides well-being support to children, young people, the elderly, serving military personnel and veterans.</p> <p>We rescue, rehabilitate and rehome mistreated, sick, unwanted and abandoned horses and ponies. Situated in a unique, nurturing, safe environment, we provide for a range of human well-being needs too, including; social, emotional, physical and mental health support, learning and developmental needs, special educational needs and disabilities (SEND), social isolation, reengaging with education, school transitions, transitions from military to civilian life, self-harm and those at risk of suicide.</p> <p>Our rescues each have their own rehabilitation plan and many work alongside our service users, where they can both benefit and grow from spending time with each other, making a positive difference to both lives.</p> <p>Our multiple aims and objectives include:</p> <ul style="list-style-type: none"><li>• the rescue, rehabilitation and re-homing of unwanted, sick, mistreated and abandoned horses and ponies.</li><li>• to promote humane behaviours towards animals and educate the public in positive animal welfare.</li><li>• to work alongside other rescues and organisations to make as big a difference as possible to animal welfare.</li></ul>

		<ul style="list-style-type: none"> <li>• to improve children and young people's social, emotional, physical and mental health and well-being through on-site interventions.</li> <li>• to decrease loneliness and increase social inclusion and hope amongst the elderly through visits to care homes.</li> <li>• to improve the social, emotional, physical and mental health and well-being of serving military personnel and veterans.</li> </ul>
Summary of the main activities in relation to those purposes for the public benefit, in particular, the activities, projects or services identified in the accounts.	Para 1.17 and 1.19	<p>Our main charitable activities are; to provide a safe, nurturing and enriching environment for our animal rescues, enabling us to rehabilitate and rehome as many as possible and to provide well-being support to those in need. We do this by:</p> <ul style="list-style-type: none"> <li>• working alongside other rescues and organisations, such as the National Equine Welfare Council (NEWC), World Horse Welfare, the Mare &amp; Foal Sanctuary, the RSPCA, the police and local councils, to rescue animals in need.</li> <li>• rehabilitating rescue horses/ponies through individual programmes using ethical and empathic training techniques to create positive experiences for our rescues, enabling them to trust humans and build their confidence.</li> <li>• finding the right match for our rescues and their forever home.</li> <li>• attending events and open days to raise awareness of the charity, educate the public in animal welfare and human well-being and promote positive animal welfare.</li> <li>• providing well-being support through on-site interventions to children, young people, serving military personnel and veterans. These interventions are set up as a course of six sessions, with the option to extend if needed, and have been shaped by people with lived experiences and experts in well-being, learning and development. We provide a unique mix of nature based interventions together with mentoring and workshops that can include; animal assisted interventions, nature activities, therapeutic learning, ecotherapy,</li> </ul>

		<p>teambuilding, arts and crafts, forest based activities and practical skills, such as horticulture.</p> <ul style="list-style-type: none"> <li>providing well-being visits for the elderly, with our rescue animals, for those that are unable to leave their accommodation (e.g. care homes). These visits bring the residents something different to their usual routine and something to look forward to. Residents leave their rooms and congregate in the social areas, decreasing loneliness and increasing social inclusion, happiness and hope. For those that cannot leave their rooms, our animals (usually Dude our super star rescue), go to them. The smiles this brings to people shows just how positive the impact is on their well-being and Dude is always keen to see the residents. We constantly monitor our animal's welfare to ensure they are always happy and healthy.</li> </ul> <p>There have been 7 ponies returned to the facility during this period, due to changes in owner circumstances or the standard of care not being delivered to the satisfaction of The Hugs Foundation upon inspection. We continue to provide care for those returned to the Foundation and look to rehome them again.</p> <p>The charity is fully insured. All staff and volunteers are DBS checked, a full safeguarding policy and procedures are in place and updated regularly, as are our other policies, such as equal opportunities.</p> <p>Volunteers provide vital resource to the charity through activities such as mucking out, grooming and other essential yard tasks, providing benefit to both visitor and charity, although this has greatly reduced due to the coronavirus pandemic and lockdown restrictions.</p> <p>A monthly newsletter continues to be produced and sent to our supporters (who have signed up in accordance with GDPR) to keep them up to date with the activities of the charity, promote our events and to encourage donor engagement.</p>
Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit	Para 1.18	The trustees are aware of the guidance issued by the Charities Commission on public benefit with regard to the need for them to exercise their powers and duties for the benefit of the public. Every trustee

		has complied with their duty to have due regard on public benefit.
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### Additional information (optional)

You may choose to include further statements where relevant about:

	SORP reference	
Policy on grant making	Para 1.38	
Policy on social investment including program related investment	Para 1.38	
Contribution made by volunteers	Para 1.38	Our volunteers are an essential asset to the charity. Volunteers perform important tasks such as mucking out, grooming and essential groundwork that keeps the land a safe environment for the animals to enjoy. All our volunteers are taken through a volunteer induction programme and DBS checked. However, we have had reduced volunteers this charity year, due to the pandemic and lockdown restrictions.
Other		

## Achievements and Performance

	SORP reference	
Summary of the main achievements of the charity, identifying the difference the charity's work has made to the circumstances of its beneficiaries and any wider benefits to society as a whole.	Para 1.20	<p>This year has been incredibly challenging, due to the coronavirus pandemic. However the charity has been innovative and flexible and despite the difficulties, managed to achieve great things including:</p> <ul style="list-style-type: none"> <li>• Rescued 25 equines in this year from situations of sickness, mistreatment and/or abandonment (a total of 121 horses and ponies and over 160 animals in total since opening in 2017).</li> <li>• Rehomed 36 of those rehabilitated horses/ponies (a total of 75 since opening in 2017).</li> <li>• Provided 228 hours of mental well-being support to 38 individual children and young people (a total of 5228 hours and 488 individuals supported since opening in 2017).</li> </ul>

		<ul style="list-style-type: none"> <li>• Eight individuals completed the 7 item Warwick Edinburgh Mental Well-Being Scale (WEMWBS) with 88% recording a meaningful positive change on their well-being. We have also gathered more case studies evidencing the positive impact our support has on individuals.</li> <li>• Launched a veterans well-being programme after successfully gaining funding from The National Lottery, Awards for All. This started in May 2021.</li> <li>• Provided volunteering opportunities to 2 people. This was a hugely reduced capacity due to decreased staffing and the pandemic.</li> <li>• Provided work experience opportunities for 2 people. Again, this was a hugely reduced capacity due to decreased staffing and the pandemic.</li> <li>• The charity was unable to undergo any care home visits due to the pandemic but have kept in contact with service users virtually and are hoping to offer this service again in Autumn 2021. However, over the Christmas period, the charity ran a community day where care homes were visited from the outside and the ponies were dressed for Christmas celebrations and walked through Bodmin town centre to bring a smile to the local community during difficult times.</li> <li>• Launched 'A Daily Hug' project via Facebook. This involved going live or posting a pre-recorded video on Facebook to help our service users and supporter's well-being during the pandemic. This was so popular that it received four rounds of funding including grants from the mental health charity, Mind and Cornwall Community Foundation. In just one month, the project reached over 84,900 people with over 11,900 engagements.</li> <li>• Outcomes from a survey for 'A Daily Hug', conducted by the charity Mind, reported that 100% would recommend our service to a friend or family member experiencing problems with their mental health and well-being. 72% of those agreed their well-being had improved</li> </ul>
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		<p>whilst the remaining 28% strongly agreed.</p> <ul style="list-style-type: none"> <li>• Launched a YouTube channel and become more active on social media platforms so our service users and supporters could stay in touch with what the charity was up to.</li> <li>• Became a member of the National Equine Welfare Council (NEWC) and continued to build relationships with similar equine charities including World Horse Welfare, the Mare &amp; Foal Sanctuary and the RSPCA.</li> <li>• Built relationships and partnerships for our well-being provisions including partnering with The Veterans Farm-Able Foundation charity for our veteran's well-being programme and for our youth well-being provision; Sowenna, a local NHS unit run by Cornwall NHS Foundation Trust, other departments in the NHS, Children and Adolescent Mental Health Services (CAMHS), additional schools, both primary and secondary, children in care units, social workers and social prescribers.</li> <li>• Continued to build and establish a relationship with the local community and work in collaboration with organisations such as local schools, social services and mental health provisions.</li> <li>• Rescued a variety of animals to add to Hugs provision, including 3 feral cats, a piglet and more rescue chickens.</li> <li>• Established a fundraising strategy and business plan to enable the charity to recover and grow after the pandemic. Income streams have been diversified and include: applications to trusts and grants, increasing donations via direct debits and individual giving, legacies and corporate sponsorships. From August 2019 to 31st May 2020, the charity received £53,750 from trusts and grant funding. From June 2020 to 31st of May 2021 this increased to £94,981. Regular donors have increased and 'Sponsor an Animal' gifts for resident animals has proved popular.</li> <li>• Continued to work with professionals, including a Health and Safety</li> </ul>
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		<p>consultant, to ensure we are doing the best we can to support our charity and beneficiaries and keep all safe.</p> <ul style="list-style-type: none"> <li>• Started to create a track system for those rescues who are overweight or suffering from or susceptible to laminitis.</li> <li>• Alongside normal maintenance, the charity has provided extra care to help the land recover from the harsh and wet winter and have re-seeded half the grazing, with the other half planned for the next charity year.</li> <li>• Three large field shelters have been added this year, kindly funded by Network for Animals. This has made a huge difference to our rescues, enabling them to shelter from the elements.</li> </ul> <p>A future plan has been established for as follows:</p> <ul style="list-style-type: none"> <li>• Continue to adapt and implement our fundraising strategy, ensuring we are able to adjust where needed when the unexpected comes along e.g. coronavirus pandemic.</li> <li>• Stabilise and then grow the charity to meet demand for both our animal rescue and human well-being support.</li> <li>• Increase capacity for on-site well-being support to meet demand. Continue to train staff and liaise with other professionals in the sector to ensure the referrals being received (which are more complex with a multitude of needs) are getting the best support than can.</li> <li>• Continue to research different methods of Equine Assisted Interventions and Ecotherapy to help shape the services The Hugs Foundation provides.</li> <li>• Develop services to corporate groups for team building activities. This will raise awareness for the charity, build corporate relationships and aim to increase fundraising opportunities.</li> <li>• Evaluate veterans project, adjust accordingly then apply for funding to run the next programme.</li> <li>• Increase volunteer and work experience numbers post pandemic.</li> </ul>
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**Additional information (optional)**

You may choose to include further statements where relevant about:

Achievements against objectives set	Para 1.41	
Performance of fundraising activities against objectives set	Para 1.41	<p>At the end of 2019, the charity recruited its first fundraiser to devise a business development strategy to include service development, funding strategy and sustainability milestones and help with administration and operation of the charity.</p> <p>One main corporate sponsor has provided the largest percentage of our funding since our inception. The pandemic has hugely highlighted the need to be less reliant on one sponsor, due to them being unable to sustain their pre pandemic levels of support. Post pandemic, the charity needs to stabilise and become sustainable before it can expand further to ensure the charity's long term survival. Hence, a change in the way the charity is funded is much needed and so a phased reduction has started from the main corporate sponsor, with £120,000 committed for the next charity year and a steady decrease over the following 3 years.</p> <p>This year the targets set for the fundraising have been very positive, especially considering the challenges of the pandemic. The charity has managed to raise nearly £100,000 in trust and grant funding and individual giving has increased.</p> <p>Funding streams have been diversified to include: individual giving, memberships, legacies, activities within the local community and trust and grant funding. Legacies and corporate sponsorship income streams are being explored and the hope is to build this income as the charity becomes better known in the community. Moving forwards, there is a flexible and diverse fundraising plan in place to help the charity recover and start to grow once more.</p>
Investment performance against objectives	Para 1.41	
Other		



## Financial Review

<p>Review of the charity's financial position at the end of the period</p>	<p>Para 1.21</p>	<p>Income and expenditure have decreased this year due to the impact of the coronavirus pandemic.</p> <p>During the year receipts of £266,379 were received from donations, trust and grants, sponsorships, rehoming fees and service charges. Of this, £130,605 was received from a corporate sponsorship partner that provided donations to set up and establish the charity through support with staffing and running costs. The partnership will continue to provide support for the charity with an aim to becoming self-funding in the long term. £94,981 was raised in trust and grant funding, a large increase on the previous year. A fundraising strategy has been put in place for the next few years, to reduce the donation amount and reliance on the corporate donor and diversify income streams, working towards self-sustainability.</p>
<p>Statement explaining the policy for holding reserves stating why they are held</p>	<p>Para 1.22</p>	<p>The Hugs Foundation is a young, registered charity and therefore significant setup and operational costs have been incurred, thus the ability to create cash reserves has not been possible. In addition to this, the coronavirus pandemic, made it financially impossible to build or retain any reserve funding. The Hugs Foundation also believes that monies received should be spent in accordance with the charity mission and not held long term in a bank account. There were very little reserves during the pandemic, which caused financial strain on the charity, however, the diversity and flexibility of the Trustees and fundraising strategy in place, ensured the charity was successful with emergency funding and survived.</p> <p>The next charity year, The Hugs Foundation has an agreement with its corporate sponsor, to receive £10,000 per month unrestricted funding. Therefore, the reserves policy will be to operate with minimal reserves whilst the charity stabilises and carries out its fundraising strategy. The corporate sponsor commitment, along with the fundraising strategy in place to increase income diversity, gives the Trustees confidence that The Hugs Foundation has the certainty and resilience it requires to deliver its charitable objectives and survive long term.</p>

		<p>Any cash funds held, either restricted or unrestricted, will be carried over to continue to support the work of the charity into the next financial year. Restricted funding carried over, (e.g., the charity could not run interventions during the pandemic so the funding could not be spent as intended), will be spent in accordance with the individual application. For any that are taking longer to spend than anticipated, the relevant grant or trust organisation(s) will be notified, and a plan agreed to spend the reserves moving forward.</p> <p>From 2022 and depending on the outcome of the financial strategy and financial climate, The Hugs Foundation aim to increase its level of unrestricted funds over the following years, in order to ensure the underlying financial resilience of the charity and to provide designated funds for specific projects. The aim would be for a minimum level of free reserves that The Hugs Foundation will hold in unrestricted funds, excluding fixed assets, to cover three to six months of core running costs plus any potential liabilities in the event of the Hugs Foundation having to cease its activities.</p> <p>The reserves policy will be reviewed annually by The Hugs Foundation Trustees.</p>
Amount of reserves held	Para 1.22	Total reserves held on 31 May 2021 were £72,244, split as unrestricted funds of £42,815 and restricted funds of £29,429. £5,539 of the unrestricted funds balance is held as cash.
Reasons for holding zero reserves	Para 1.22	See above reserves policy.
Details of fund materially in deficit	Para 1.24	
Explanation of any uncertainties about the charity continuing as a going concern	Para 1.23	<p>The coronavirus pandemic has had a negative impact on the charity's income since March 2020. The charity has been unable to run fundraising events, school holiday activities, care home visits and well-being interventions. In November 2020, the charity was able to re-open for its on-site well-being support, but a few weeks later, the country went back into lockdown and so interventions were once again unable to run. On-site interventions re-opened again from April 2021, although these are being run at lower capacity due to staffing levels and Government restrictions. However the charity has been successful in applications for additional grant funding which has been received in 2020-2021. Demand for horse rescues and rehoming is continuing to rise and well-being service referrals have</p>

		increased by 50% and so the outlook for The Hugs Foundation is looking optimistic.
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### Additional information (optional)

You may choose to include further statements where relevant about:

The charity's principal sources of funds (including any fundraising)	Para 1.47	<p>One main corporate sponsor has provided the largest percentage of our funding since our inception. The pandemic has hugely highlighted the need to be less reliant on one sponsor, due to them being unable to sustain their pre pandemic levels of support. Post pandemic, the charity needs to stabilise and become sustainable before it can expand further to ensure the charity's long term survival. Hence, a change in the way the charity is funded is much needed and so a phased reduction has started from the main corporate sponsor, with £120,000 committed for the next charity year and a steady decrease over the next 3 years.</p> <p>2020 to 2021 charity year's income was split between our main corporate sponsor (reduced to 49% from 65% in the previous charity year), with the additional income being achieved from a diverse range of income streams including:</p> <ul style="list-style-type: none"> <li>• trust and grant funding</li> <li>• individual giving, both one off donations and regular monthly donations</li> <li>• memberships (Sponsor a Rescue)</li> <li>• service charges (well-being support)</li> <li>• animal rescue rehoming fees</li> <li>• livery</li> <li>• tack sale donations</li> <li>• Christmas calendar donations and sponsorship</li> <li>• corporate sponsorships and donations</li> </ul> <p>Moving forwards, the charity's fundraising plan is to continue to grow these diversified income streams and become less reliant on one main corporate sponsor.</p>
Investment policy and objectives including any social investment policy adopted	Para 1.46	
A description of the principal risks facing the charity	Para 1.46	<p>The trustees have assessed the major risks to which the charity is exposed, including the recruitment and retention of staff and major incidents which may affect the running of the charity e.g. coronavirus pandemic, and are satisfied that the systems in place (risk register etc.) will help</p>

		to mitigate the risk or enable it to be dealt with in a timely, efficient manner.
Other		

## Structure, Governance and Management

Description of charity's trusts:		N/A
Type of governing document (trust deed, royal charter)	Para 1.25	Constitution of a Charitable Incorporated Organisation
How is the charity constituted? (e.g unincorporated association, CIO)	Para 1.25	Charitable Incorporated Organisation
Trustee selection methods including details of any constitutional provisions e.g. election to post or name of any person or body entitled to appoint one or more trustees	Para 1.25	Trustees can be selected in various ways including; approaching the charity themselves through CV or application or nomination by existing Trustees. Current Trustees will consider potential new Trustees who have skills which will help the charity e.g. animal welfare knowledge, children's mental health, safeguarding, fundraising and charity management. Applications/nominations are brought to Trustee meeting to discuss. They are appointed upon approval by majority vote, familiarised with the day to day running of the charity and briefed on the governance and their responsibilities.

### Additional information (optional)

You may choose to include further statements where relevant about:

Policies and procedures adopted for the induction and training of trustees	Para 1.51	
The charity's organisational structure and any wider network with which the charity works	Para 1.51	
Relationship with any related parties	Para 1.51	
Other		

## Reference and Administrative details

Charity name	The Hugs Foundation
Other name the charity uses	N/A
Registered charity number	1175633
Charity's principal address	Higher Whitley Farm Helland Road Bodmin Cornwall PL31 2NT

### **Names of the charity trustees who manage the charity**

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Andrew Frederick Bowden			
2	Tracy Jayne Lewis			
3	Claire Briggs			
4	David Peter Sell			
5	Paul Jonathan Dransfield		Appointed on 18 <sup>th</sup> January 2021	
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Corporate trustees – names of the directors at the date the report was approved

[illegible]

Name of trustees holding title to property belonging to the charity

[illegible]

## Funds held as custodian trustees on behalf of others

Description of the assets held in this capacity	
Name and objects of the charity on whose behalf the assets are held and how this falls within the custodian charity's objects	
Details of arrangements for safe custody and segregation of such assets from the charity's own assets	

### Additional information (optional)

#### Names and addresses of advisers (Optional information)

Type of adviser	Name	Address
<b>Solicitor</b>	Stephens Scown	1 High Cross Street, St Austell, Cornwall, PL25 4AB
<b>Accountant</b>	AAS Accountants Ltd	Tithe House, 15 Dukes Ride, Crowthorne, RG45 6LZ

#### Name of chief executive or names of senior staff members (Optional information)

Andrew Bowden - Chairman

## Exemptions from disclosure

Reason for non-disclosure of key personnel details

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## Other optional information

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## Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Andrew Frederick Bowden	
Position (eg Secretary, Chair, etc)	Chair	
Date	20/09/2021	





**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

Charity Name	The Hugs Foundation	1175633	
Annual accounts for the period			
Period start date	1 June 2020	To	31 May 2021

## Section A Statement of financial activities


Recommended categories by activity	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
<b>Incoming resources (Note 3)</b>				
<b>Income and endowments from:</b>				
Donations and legacies	161,874	-	161,874	288,108
Charitable activities	8,655	94,481	103,136	97,942
Other trading activities	1,369	-	1,369	395
<b>Total</b>	<b>171,898</b>	<b>94,481</b>	<b>266,379</b>	<b>386,445</b>
<b>Resources expended (Note 5)</b>				
<b>Expenditure on:</b>				
Raising funds	22,590	-	22,590	28,230
Charitable activities	157,037	75,077	232,114	310,733
<b>Total</b>	<b>179,627</b>	<b>75,077</b>	<b>254,704</b>	<b>338,964</b>
<b>Net income/(expenditure) before transfers</b>	- 7,729	19,404	11,675	47,481
Transfers	6,000	- 6,000	-	-
<b>Net income/(expenditure)</b>	- 1,729	13,404	11,675	47,481
<b>Reconciliation of funds:</b>				
Total funds brought forward	44,544	16,025	60,569	13,088
<b>Total funds carried forward</b>	<b>42,815</b>	<b>29,429</b>	<b>72,244</b>	<b>60,569</b>

## Section B

## Balance sheet

		Unrestricted funds £	Restricted income funds £	Total this year £	Total last year £
<b>Fixed assets</b>					
Tangible assets	(Note 9)	40,648	-	40,648	36,595
	<b>Total fixed assets</b>	<b>40,648</b>	<b>-</b>	<b>40,648</b>	<b>36,595</b>
<b>Current assets</b>					
Debtors	(Note 10)	2,182	-	2,182	1,514
Cash at bank and in hand	(Note 12)	5,593	29,429	35,022	31,561
	<b>Total current assets</b>	<b>7,775</b>	<b>29,429</b>	<b>37,204</b>	<b>33,075</b>
Creditors: amounts falling due within one year	(Note 11)	5,608	-	5,608	9,101
	<b>Net current assets/(liabilities)</b>	<b>2,167</b>	<b>29,429</b>	<b>31,596</b>	<b>23,974</b>
	<b>Total net assets or liabilities</b>	<b>42,815</b>	<b>29,429</b>	<b>72,244</b>	<b>60,569</b>
<b>Funds of the Charity</b>					
Restricted income funds	(Note 14)		29,429	29,429	16,025
Unrestricted funds		42,815		42,815	44,544
	<b>Total funds</b>	<b>42,815</b>	<b>29,429</b>	<b>72,244</b>	<b>60,569</b>

Signed on behalf of the charity's trustees

Signature(s)	
Full name(s)	Andrew Frederick Bowden
Position (eg Secretary, Chair, etc)	Chair
Date	20/09/2021

## Note 1 Basis of preparation

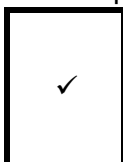
***This section should be completed by all charities.***

## 1.1 Basis of accounting

These accounts 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.

The accounts have been prepared in accordance with:

- and with\*



the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014

- and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.\*



\* -Tick as appropriate

## 1.2 Going concern

***If there are material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern, please provide the following details or state "Not applicable", if appropriate:***

**An explanation as to those factors that support the conclusion that the charity is a going concern;**

The coronavirus pandemic has had a negative impact on the charity's income since March 2020. The charity has been unable to run fundraising events, school holiday activities, care home visits and well-being interventions. In November 2020, the charity was able to re-open for its on-site well-being support, but a few weeks later, the country went back into lockdown and so interventions were once again unable to run. On-site interventions re-opened again from April 2021, although these are being run at lower capacity due to staffing levels and Government restrictions. However the charity has been successful in applications for additional grant funding which has been received in 2020-21. Demand for horse rescues and rehoming is continuing to rise and well-being service referrals have increased by 50% and so the outlook for The Hugs Foundation is looking optimistic.

## 1.3 Change of accounting policy

The accounts present a true and fair view and the accounting policies adopted are those outlined in note 2.

## 1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period (3.46 FRS 102 SORP).

## 1.5 Material prior year errors

No material prior year error have been identified in the reporting period (3.47 FRS 102 SORP).

## Note 2

## Accounting policies

## 2.1 INCOME

<b>Recognition of income</b>	<p>These are included in the Statement of Financial Activities (SoFA) when:</p> <ul style="list-style-type: none"> <li>the charity becomes entitled to the resources;</li> <li>it is more likely than not that the trustees will receive the resources; and</li> <li>the monetary value can be measured with sufficient reliability.</li> </ul>	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
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<b>Offsetting</b>	There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Grants and donations</b>	Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP).	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Legacies</b>	<p>In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).</p> <p>Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.</p>	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table> <table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓	Yes	No	N/a	✓	✓	✓						
Yes	No	N/a																		
✓	✓	✓																		
Yes	No	N/a																		
✓	✓	✓																		
<b>Government grants</b>	The charity has received government grants in the reporting period	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Tax reclaims on donations and gifts</b>	<p>Gift Aid receivable is included in income when there is a valid declaration from the donor.</p> <p>Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.</p>	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Contractual income and performance related grants</b>	This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Donated goods</b>	<p>Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.</p> <p>The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.</p> <p>Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale, and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'.</p> <p>Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.</p> <p>Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.</p>	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table> <table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table> <table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓	Yes	No	N/a	✓	✓	✓	Yes	No	N/a	✓	✓	✓
Yes	No	N/a																		
✓	✓	✓																		
Yes	No	N/a																		
✓	✓	✓																		
Yes	No	N/a																		
✓	✓	✓																		
<b>Donated services and facilities</b>	<p>Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.</p> <p>Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.</p>	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table> <table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓	Yes	No	N/a	✓	✓	✓						
Yes	No	N/a																		
✓	✓	✓																		
Yes	No	N/a																		
✓	✓	✓																		
<b>Support costs</b>	The charity has incurred expenditure on support costs.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Volunteer help</b>	The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Income from interest, royalties and dividends</b>	This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Income from membership subscriptions</b>	<p>Membership subscriptions received in the nature of a gift are recognised in Donations and Legacies.</p> <p>Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.</p>	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table> <table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓	Yes	No	N/a	✓	✓	✓						
Yes	No	N/a																		
✓	✓	✓																		
Yes	No	N/a																		
✓	✓	✓																		
<b>Settlement of insurance claims</b>	Insurance claims are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP) and are included as an item of other income in the SoFA.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		
<b>Investment gains and losses</b>	This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.	<table> <tr><td>Yes</td><td>No</td><td>N/a</td></tr> <tr><td>✓</td><td>✓</td><td>✓</td></tr> </table>	Yes	No	N/a	✓	✓	✓												
Yes	No	N/a																		
✓	✓	✓																		

## Note 2

## Accounting policies

## 2.2 EXPENDITURE AND LIABILITIES

<b>Liability recognition</b>	Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Governance and support costs</b>	Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.  Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Grants with performance conditions</b>	Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Grants payable without performance conditions</b>	Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Redundancy cost</b>	The charity made no redundancy payments during the reporting period.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Deferred income</b>	No material item of deferred income has been included in the accounts.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Creditors</b>	The charity has creditors which are measured at settlement amounts less any trade discounts	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Provisions for liabilities</b>	A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Basic financial instruments</b>	The charity accounts for basic financial instruments on initial recognition as per paragraph 11.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>

## 2.3 ASSETS

<b>Tangible fixed assets for use by charity</b>	These are capitalised if they can be used for more than one year, and cost at least £3,000.  They are valued at cost.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Intangible fixed assets</b>	The depreciation rates and methods used are disclosed in note 9.2.  The charity has intangible fixed assets, that is, non-monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. The amortisation rates and methods used are disclosed in note 9.5  They are valued at cost.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Heritage assets</b>	The charity has heritage assets, that is, non-monetary assets with historic, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The depreciation rates and methods used as disclosed in note 9.6.1.4.  They are valued at cost.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Investments</b>	Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.  Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Stocks and work in progress</b>	Stocks held for sale as part of non-charitable trade are measured at the lower or cost or net realisable value.  Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.  Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Debtors</b>	Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>
<b>Current asset investments</b>	The charity has investments which it holds for resale or pending their sale and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.  They are valued at fair value except where they qualify as basic financial instruments.	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/a <input checked="" type="checkbox"/>

## Note 3

## Analysis of income

		Unrestricted funds	Restricted income funds	Total funds £	Prior year £
	<b>Analysis</b>				
<b>Donations and legacies:</b>	Donations	153,467	-	153,467	274,405
	Legacies	-	-	-	176
	General grants provided by government/other charities	7,320	-	7,320	13,165
	Membership subscriptions and sponsorships	1,087	-	1,087	362
	<b>Total</b>	<b>161,874</b>	<b>-</b>	<b>161,874</b>	<b>288,108</b>
<b>Charitable activities:</b>	Grants	500	94,481	94,981	53,750
	Rehoming	7,405	-	7,405	6,950
	Mental Health	750	-	750	26,601
	Therapy/Wellbeing	-	-	-	8,218
	Children's Holiday Activities	-	-	-	2,420
	Other	-	-	-	3
	<b>Total</b>	<b>8,655</b>	<b>94,481</b>	<b>103,136</b>	<b>97,942</b>
<b>Other trading activities:</b>	Hire income	1,369	-	1,369	395
	<b>Total</b>	<b>1,369</b>	<b>-</b>	<b>1,369</b>	<b>395</b>
<b>TOTAL INCOME</b>		<b>171,898</b>	<b>94,481</b>	<b>266,379</b>	<b>386,445</b>

## Note 4

## Analysis of receipts of government grants

	Description	This year £	Prior year £
<b>Government grant</b>	HMRC Job Retention Scheme	7,321	13,165
	<b>Total</b>	<b>7,321</b>	<b>13,165</b>

## Note 5

## Analysis of expenditure

Analysis	This year			Last year		
	Unrestricted funds	Restricted income funds	Total funds	Unrestricted funds	Restricted income funds	Total funds
<b>Expenditure on raising funds:</b>			£			£
Staff Costs	21,354	-	21,354	18,642	-	18,642
Incurred seeking donations	116	-	116	112	-	112
Operating membership schemes and social lotteries	468	-	468	840	-	840
Advertising, marketing, direct mail and publicity	652	-	652	8,636	-	8,636
<b>Total expenditure on raising funds</b>	<b>22,590</b>	<b>-</b>	<b>22,590</b>	<b>28,230</b>	<b>-</b>	<b>28,230</b>
<b>Expenditure on charitable activities:</b>						
Staff Costs	59,030	59,649	118,679	179,808	3,370	183,178
Recruitment Costs	557	-	557	202	-	202
Veterinary and Medical Costs	15,276	3,660	18,936	19,016	3,968	22,984
Feed	5,852	301	6,153	15,562	986	16,548
Yard Expenditure	1,670	4,811	6,481	9,106	730	9,836
Equine Care	4,671	1,488	6,159	5,235	649	5,884
Training	2,001	-	2,001	2,364	-	2,364
Repairs and Renewals	1,518	4,123	5,641	2,669	-	2,669
Insurance	6,741	-	6,741	6,214	-	6,214
Professional Fees	9,056	-	9,056	13,353	-	13,353
Bank and Payment Charges	224	-	224	172	-	172
Computers and Internet	3,477	30	3,507	5,634	-	5,634
Utilities and Rates	31,743	131	31,874	26,995	-	26,995
Transport and Travel	4,990	65	5,055	2,862	20	2,882
Office Supplies	764	-	764	1,724	-	1,724
Depreciation	8,520	-	8,520	6,680	-	6,680
Sundries	947	819	1,766	3,413	2	3,415
<b>Total expenditure on charitable activities</b>	<b>157,037</b>	<b>75,077</b>	<b>232,114</b>	<b>301,009</b>	<b>9,725</b>	<b>310,734</b>
<b>TOTAL EXPENDITURE</b>	<b>179,627</b>	<b>75,077</b>	<b>254,704</b>	<b>329,239</b>	<b>9,725</b>	<b>338,964</b>

**Note 6** Details of certain items of expenditure**6.1 Fees for examination of the accounts**

*Please provide details of the amount paid for any statutory external scrutiny of accounts and other services provided by your independent examiner. If nothing was paid please enter '0' in the appropriate box(es).*

Independent examiner's fees

This year £	Last year £
300	300

**Note 7** Paid employees

*Please complete this note if the charity has any employees.*

**7.1 Staff Costs**

Salaries and wages

Social security costs

Pension costs (defined contribution scheme)

Total staff costs

This year £	Last year £
129,821	185,325
6,528	11,628
3,684	4,868
<b>140,033</b>	<b>201,821</b>

Please provide the total amount paid to key management personnel (includes trustees and senior management) for their services to the charity. For specific amounts paid to trustees, see Note 28.

This year £	Last year £
67,070	102,834

**7.2 Average head count in the year**

The parts of the charity in which the employees work

Fundraising
Charitable Activities
Total

This year Number	Last year Number
1	1
6	9
7	10

**Note 8** Defined contribution pension scheme or defined benefit scheme accounted for as a defined contribution scheme.

**8.1** *Please complete this note if a defined contribution pension scheme is operated.*

Amount of contributions recognised in the SOFA as an expense

This year £	Last year £
3,684	4,868



**Note 9 Tangible fixed assets***Please complete this note if the charity has any tangible fixed assets***9.1 Cost or valuation**

	Freehold land & buildings	Other land & buildings	Yard equipment	Total
	£	£	£	£
At the beginning of the year	1,104	563	42,231	43,898
Additions	-	-	12,574	12,574
Disposals	-	-	-	-
At end of the year	<b>1,104</b>	<b>563</b>	<b>54,805</b>	<b>56,472</b>

**9.2 Depreciation and impairments**

<b>**Basis</b>	RB	RB	SL
<b>** Rate</b>	25%	25%	4/7/10 years

At beginning of the year	638	247	6,419	7,304
Disposals	-	-	-	-
Depreciation	117	79	8,324	8,520
At end of the year	<b>755</b>	<b>326</b>	<b>14,743</b>	<b>15,824</b>

**9.3 Net book value**

Net book value at the beginning of the year	466	316	35,812	36,594
Net book value at the end of the year	349	237	40,062	40,648

**Note 10 Debtors and prepayments**

*Please complete this note if the charity has any debtors or*

**10.1 Analysis of debtors**

Trade debtors

Prepayments and accrued income

Taxation and social security

Total

This year	Last year
£	£
97	638
1,723	1,621
362	-
<b>2,182</b>	<b>2,259</b>

**Note 11 Creditors and accruals**

*Please complete this note if the charity has any creditors or accruals.*

**11.1 Analysis of creditors**

Trade creditors

Accruals and deferred income

Taxation and social security

Other creditors

Total

Amounts falling due within one year		Amounts falling due after more than one year	
This year	Last year	This year	Last year
£	£	£	£
1,115	5,077	-	-
1,464	1,690	-	-
-	1,446	-	-
3,029	1,633	-	-
<b>5,608</b>	<b>9,846</b>	<b>-</b>	<b>-</b>

**Note 12 Cash at bank and in hand**

Cash at bank and on hand

Total

This year	Last year
£	£
35,022	31,561
<b>35,022</b>	<b>31,561</b>

**Note 13****Events after the end of the reporting period**

***Please complete this note events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.***

	<b>This year</b>	<b>Last year</b>
<b>Please provide details of the nature of the event</b>	We currently have just one member of staff on the furlough scheme. We are hoping to bring the staff member back to work in August 2021. We also have our yard manager on maternity leave meaning we have a very small yard team. A business recovery plan is in place to help the charity recover from the pandemic and then grow to meet demand for both the animal welfare services The Hugs Foundation provides and its well-being support.	Due to COVID-19 impacting charity funding, we had to furlough 4 members of staff and in June 2020 they were very sadly made redundant as the financial climate does not seem to be improving anytime in the near future. This enables our focus to be primarily on the welfare and care of the animals and humans that Hugs Foundation supports.
<b>Provide an estimate of the financial effect of the event or a statement that such an estimate cannot be made</b>	The charity has put a plan in place to keep expenditure to a minimum whilst it recovers from the effects of the pandemic. Income stream have been diversified and applications from trust and grant funding have been successful so far and so the Trustees are confident that the charity's plan will see the charity through this difficult time and steadily increase income once more.	This has saved the charity just under £8,000 monthly - equating to over £95,000 annually.

<b>Section C</b>	<b>Notes to the accounts</b>	<b>(cont)</b>
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**Note 14**                      **Charity funds**

**14.1 Details of material funds held and movements during the CURRENT reporting period**

*\* Key: PE - permanent endowment funds; EE - expendible endowment funds; R - restricted income funds, including special trusts, of the charity; and UR - unrestricted funds*

Fund names	Type PE, EE R or UR *	Purpose and Restrictions	Fund balances at 1 June 2020 £	Income £	Expenditure £	Transfers £	Fund balances at 31 May 2021 £
Network for Animals	R	Towards cost of care for 4 rescue ponies	1,586	-	1,586	-	-
Network for Animals	R	Towards purchase of field shelters	-	6,000	-	6,000	-
Support Adoption for Pets Covid-19 Emergency Grant	R	Towards cost of vets bills, feed and bedding	2,822	-	2,822	-	-
Support Adoption for Pets Covid-19 Emergency Grant	R	Towards yard staffing costs	-	5,000	5,000	-	-
The Edward Gostling Foundation	R	Towards Youth Well-Being team salaries	-	3,400	3,400	-	-
Co-Op Local Community Fund	R	Towards play area, sensory garden and sensory room	721	1,869	242	-	2,348
Together for Families	R	Towards bursaries for family well-being sessions	5,714	-	2,550	-	3,164
Claire Milne Trust	R	Towards bursaries for well-being sessions	1,882	-	1,500	-	382
The Clara E Burgess Charitable Trust	R	Towards bursaries for well-being sessions	3,300	-	350	-	2,950
Animal Friends / Jean Sainsbury Animal Welfare Trust / Sylvia Waddilove Emergency Funding	R	Towards animal care costs including salaries	-	17,500	17,500	-	-
Cornwall Community Foundation Covid-19 Emergency Grant	R	To run 'A Daily Hug' Facebook Live project	-	9,907	9,907	-	-
Animal Rescue Foundation	R	Towards animal care costs and vet bills	-	6,500	5,517	-	983
The Annandale Charitable Trust	R	To fund costs including fencing, agility equipment, track system for laminitic ponies, items for the sensory garden and other running costs.	-	10,000	4,600	-	5,400
Marjorie Coota Animal Charity Trust	R	Towards vet bills	-	250	250	-	-
National Lottery Awards for All	R	Veterans Well-Being Project	-	4,043	674	-	3,369
The Michael & Shirley Hunt Charitable Trust	R	12 x care home visits	-	1,000	-	-	1,000
PetPlan Emergency Funding	R	Towards staff costs for 4 months	-	6,239	6,239	-	-
Elise Pilkington Charitable Trust	R	Land Maintenance	-	4,940	4,143	-	797
Mind Coronavirus Mental Health Response Fund	R	A Daily Hug 12 week Project	-	5,297	5,297	-	-
Tesco Bags of Help COVID-19 Communities Fund	R	Facebook Live Equipment	-	500	500	-	-
W O Street Charitable Foundation	R	Youth Services core costs	-	3,000	3,000	-	-
South West Water Neighbourhood Fund	R	To fund 10 children/young people to access free well-being interventions	-	4,594	-	-	4,594
Cornwall Community Foundation Karenza	R	To fund 8 children/young people to access free well-being interventions	-	4,442	-	-	4,442
Unrestricted Funds	UR	N/A	44,544	171,898	179,627	6,000	42,815
<b>Total Funds</b>			<b>60,569</b>	<b>266,379</b>	<b>254,704</b>	<b>-</b>	<b>72,244</b>

## Section C

## Notes to the accounts

(cont)

## Note 14 Charity funds

## 14.2 Details of material funds held and movements during the PREVIOUS reporting period

\* Key: PE - permanent endowment funds; EE - expendible endowment funds; R - restricted income funds, including special trusts, of the charity; and UR - unrestricted funds

<i>Fund names</i>	<i>Type PE, EE R or UR *</i>	<i>Purpose and Restrictions</i>	<i>Fund balances at 1 June 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Fund balances at 31 May 2020 £</i>
Network for Animals	R	Towards cost of care for 4 rescue ponies	-	5,000	- 3,414	-	1,586
Support Adoption for Pets Covid-19 Emergency Grant	R	Towards cost of vets bills, feed and bedding	-	5,000	- 2,178	-	2,822
Co-Op Local Community Fund	R	Towards play area, sensory garden and sensory room.	-	721	-	-	721
Together for Families	R	12 families to have a fully funded course of 8 sessions	-	6,378	- 664	-	5,714
Claire Milne Trust	R	6 children to have 6 x fully funded sessions	-	1,882	-	-	1,882
The Clara E Burgess Charitable Trust	R	Shortfall x 29 children under 10 to have 8 x 1 hour sessions	-	5,000	- 1,700	-	3,300
Jean Sainsbury Animal Welfare Trust	R	Towards purchase of a horsebox	-	5,000	-	- 5,000	-
Support Adoption for Pets	R	Towards purchase of a horsebox	-	20,000	-	- 20,000	-
Cornwall Community Foundation Covid-19 Emergency Grant	R	To fund staffing costs for 4 weeks of Facebook Live posts	-	1,769	- 1,769	-	-
Unrestricted Funds	UR	N/A	13,088	335,695	- 329,239	25,000	44,544
<b>Total Funds</b>			<b>13,088</b>	<b>386,445</b>	<b>- 338,964</b>	<b>-</b>	<b>60,569</b>

## Note 15 Charity funds (cont)

### 15.1 Transfers between funds

#### This year

	Reason for transfer and where endowment is converted to income, legal power for its conversion	Amount
Between unrestricted and restricted funds	Funding received from Network for Animals to contribute towards the cost of 3 mobile field shelters. These were purchased in January for 2021 for £8,254.	£ 6,000

## Note 16 Transactions with trustees and related parties

*If the charity has any transactions with related parties (other than the trustee expenses explained in guidance notes) details of such transactions should be provided in this note. If there are no transactions to report, please enter "True" in the box or "False" if there are transactions to report.*

### 16.1 Trustee remuneration and benefits

#### This year

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity

TRUE
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#### Last year

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity

TRUE
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### 16.2 Transaction(s) with related parties

*Please give details of any transaction undertaken by (or on behalf of) the charity in which a related party has a material interest, including where funds have been held as agent for related parties. If there are no such transactions, please enter 'true' in the box provided.*

#### This year

There have been no related party transactions in the reporting period

FALSE
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Name of the trustee or related party	Relationship to charity	Description of the transaction(s)	This Year	Last Year
Andrew Bowden	Chairman	Director of Carbonxgen Ltd which made donations to the charity during the year. Carbonxgen Ltd also own the land that the charity operates from. The charity pays a nominal rent back to Carbonxgen Ltd for using the land.	£ 130,605	£ 251,165



Section A

Independent Examiner's Report

Report to the trustees/  
members of

Charity Name  
The Hugs Foundation

On accounts for the year  
ended

31 May 2021

Charity no  
(if any)

1175633

Set out on pages

1-2

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended **31 / 05 / 2021**.

Responsibilities and  
basis of report

As the charity's trustees, 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 Trust'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.

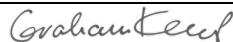
Independent  
examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Chartered Institute of Management Accountants.

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

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable 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.

Signed: 

Date: 08 / 09 / 2021

Name: Graham Kemp

Relevant professional  
qualification(s) or body  
(if any):

The Chartered Institute of Management Accountants

**Address:**

Park House, Headley Road, Woodley, Berkshire, RG5 4JB

**Section B**

**Disclosure**

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

**Give here brief details of any items that the examiner wishes to disclose.**