



CHARITY COMMISSION  
FOR ENGLAND AND WALES

## Independent examiner's report on the accounts

### Section A

### Independent Examiner's Report

#### Report to the trustees

Charity Name  
The Hugs Foundation

#### On accounts for the year ended

31 May 2023

Charity no  
(if any)

1175633

#### Set out on pages

1 & 2

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31/08/2022.

#### 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

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.

*\* Please delete the words in the brackets if they do not apply.*

Signed:

M. D. Price

Date:

27/11/2023

Name:

Mark Price BSc, FCA

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

The Institute of Chartered Accountants in England and Wales (ICAEW)

Address:

One, St Peters Road, Maidenhead, Berkshire, SL6 7QU

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Section B	Disclosure			
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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.

N/A
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**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

Charity Name	The Hugs Foundation	1175633	
Annual accounts for the period			
Period start date	1 June 2022	To	31 May 2023

## 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	175,625	-	175,625	151,820
Charitable activities	21,268	130,389	151,657	120,307
Other trading activities	1,970	-	1,970	990
<b>Total</b>	<b>198,863</b>	<b>130,389</b>	<b>329,252</b>	<b>273,117</b>
<b>Resources expended (Note 5)</b>				
<b>Expenditure on:</b>				
Raising funds	29,511	-	29,511	24,987
Charitable activities	203,593	101,601	305,194	229,442
<b>Total</b>	<b>233,104</b>	<b>101,601</b>	<b>334,705</b>	<b>254,429</b>
<b>Net income/(expenditure) before transfers</b>	- 34,241	28,788	- 5,455	18,688
Transfers	-	-	-	
<b>Net income/(expenditure)</b>	- 34,241	28,788	- 5,455	18,688
<b>Reconciliation of funds:</b>				
Total funds brought forward	67,529	22,983	90,512	71,824
<b>Total funds carried forward</b>	<b>33,288</b>	<b>51,770</b>	<b>85,055</b>	<b>90,512</b>

## Section B

## Balance sheet

		Unrestricted funds £	Restricted income funds £	Total this year £	Total last year £
<b>Fixed assets</b>					
Tangible assets	(Note 9)	30,926	-	30,926	38,858
<b>Total fixed assets</b>		<b>30,926</b>	<b>-</b>	<b>30,926</b>	<b>38,858</b>
<b>Current assets</b>					
Debtors	(Note 10)	6,637	-	6,637	2,333
Cash at bank and in hand	(Note 12)	7,790	51,767	59,557	56,223
<b>Total current assets</b>		<b>14,427</b>	<b>51,767</b>	<b>66,194</b>	<b>58,556</b>
<b>Creditors: amounts falling due within one year</b>	(Note 11)	12,065	-	12,065	6,902
<b>Net current assets/(liabilities)</b>		<b>2,362</b>	<b>51,767</b>	<b>54,129</b>	<b>51,654</b>
<b>Total net assets or liabilities</b>		<b>33,292</b>	<b>51,767</b>	<b>85,055</b>	<b>90,512</b>
<b>Funds of the Charity</b>					
Restricted income funds	(Note 14)		51,767	51,767	22,983
Unrestricted funds		33,288		33,288	67,529
<b>Total funds</b>		<b>33,288</b>	<b>51,767</b>	<b>85,055</b>	<b>90,512</b>

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Andrew Frederick Bowden	
Position (eg Secretary, Chair, etc)	Chair	
Date	06/12/2023	

## Note 1 Basis of preparation

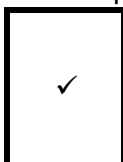
***This section should be completed by all charities.***

## 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 and cost of living has had a negative impact on the charity's income. This year, the charity has been able to start to run fundraising events, open days, care home visits and well-being interventions at a reduced capacity, due to lower staffing levels. However, the charity has been successful in applications for additional grant funding which has been received in 2022-2023. There is a flexible and diverse fundraising plan in place, including diversifying funding streams e.g., individual giving, which has increased this year. Demand for equine (horses, ponies and donkeys) rescues and rehoming is continuing to rise and well-being service referrals have increased by over 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

## Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Offsetting

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP).

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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).

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Legacies

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Government grants

The charity has received government grants in the reporting period

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. 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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Contractual income and performance related grants

This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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'.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Donated services and facilities

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Support costs

The charity has incurred expenditure on support costs.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees annual report.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Income from interest, royalties and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in Donations and Legacies.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Settlement of insurance claims

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Investment gains and losses

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.

Yes	No	N/a
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Note 2

## Accounting policies

## 2.2 EXPENDITURE AND LIABILITIES

**Liability recognition** 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	No	N/a
✓	✓	✓

**Governance and support costs** 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.

Yes	No	N/a
✓	✓	✓

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	No	N/a
✓	✓	✓

**Grants with performance conditions** 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	No	N/a
✓	✓	✓

**Grants payable without performance conditions** 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	No	N/a
✓	✓	✓

**Redundancy cost** The charity made no redundancy payments during the reporting period.

Yes	No	N/a
✓	✓	✓

**Deferred income** No material item of deferred income has been included in the accounts.

Yes	No	N/a
✓	✓	✓

**Creditors** The charity has creditors which are measured at settlement amounts less any trade discounts

Yes	No	N/a
✓	✓	✓

**Provisions for liabilities** 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	No	N/a
✓	✓	✓

**Basic financial instruments** 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	No	N/a
✓	✓	✓

## 2.3 ASSETS

**Tangible fixed assets for use by charity** 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	No	N/a
✓	✓	✓

The depreciation rates and methods used are disclosed in note 9.2.

**Intangible fixed assets** 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

Yes	No	N/a
✓	✓	✓

They are valued at cost.

Yes	No	N/a
✓	✓	✓

**Heritage assets** 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.

Yes	No	N/a
✓	✓	✓

They are valued at cost.

Yes	No	N/a
✓	✓	✓

**Investments** 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.

Yes	No	N/a
✓	✓	✓

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	No	N/a
✓	✓	✓

**Stocks and work in progress** Stocks held for sale as part of non-charitable trade are measured at the lower or cost or net realisable value.

Yes	No	N/a
✓	✓	✓

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.

Yes	No	N/a
✓	✓	✓

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract

Yes	No	N/a
✓	✓	✓

**Debtors** 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	No	N/a
✓	✓	✓

**Current asset investments** 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.

Yes	No	N/a
✓	✓	✓

Yes	No	N/a
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**Note 2**

**Accounting policies**

They are valued at fair value except where they qualify as basic financial instruments.

✓	✓	✓
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## Note 3

## Analysis of income

		Unrestricted funds	Restricted income funds	Total funds £	Prior year £
	<b>Analysis</b>				
<b>Donations and legacies:</b>	Donations	174,096	-	174,096	148,990
	General grants provided by government/other charities	-	-	-	1,361
	Membership subscriptions and sponsorships	1,529	-	1,529	1,468
	<b>Total</b>	<b>175,625</b>	<b>-</b>	<b>175,625</b>	<b>151,820</b>
<b>Charitable activities:</b>	Grants	-	130,389	130,389	94,981
	Rehoming	8,740	-	8,740	8,885
	Mental Health	12,318	-	12,318	10,628
	Other	210	-	210	1,263
	<b>Total</b>	<b>21,268</b>	<b>130,389</b>	<b>151,657</b>	<b>120,307</b>
<b>Other trading activities:</b>	Hire income	1,970	-	1,970	990
	<b>Total</b>	<b>1,970</b>	<b>-</b>	<b>1,970</b>	<b>990</b>
<b>TOTAL INCOME</b>		<b>198,863</b>	<b>130,389</b>	<b>329,252</b>	<b>273,117</b>

## Note 4

## Analysis of receipts of government grants

	Description	This year £	Prior year £
<b>Government grant</b>	HMRC Job Retention Scheme	-	1,361
	<b>Total</b>	<b>-</b>	<b>1,361</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	26,314	-	26,314	21,857	-	21,857
Incurred seeking donations	-	-	-	-	-	-
Operating membership schemes and social lotteries	1,986	-	1,986	1,754	-	1,754
Advertising, marketing, direct mail and publicity	1,212	-	1,212	1,376	-	1,376
<b>Total expenditure on raising funds</b>	<b>29,511</b>	<b>-</b>	<b>29,511</b>	<b>24,987</b>	<b>-</b>	<b>24,987</b>
<b>Expenditure on charitable activities:</b>						
Staff Costs	95,316	45,602	140,918	51,767	53,355	105,122
Recruitment Costs	-	-	-	19	-	19
Veterinary and Medical Costs	25,300	17,166	42,466	7,771	11,115	18,886
Feed	3,314	7,331	10,645	3,671	3,915	7,586
Yard Expenditure	4	6,893	6,898	4,680	2,889	7,569
Equine Care	2,028	3,256	5,283	3,677	2,186	5,863
Training	1,548	-	1,548	574	-	574
Repairs and Renewals	6,009	973	6,982	1,931	1,212	3,143
Insurance	4,459	2,052	6,510	4,279	2,132	6,411
Professional Fees	11,216	4,433	15,649	11,222	1,718	12,940
Bank and Payment Charges	663	-	663	437	-	437
Computers and Internet	10,121	-	10,121	6,985	-	6,985
Utilities and Rates	27,577	9,631	37,208	24,498	8,797	33,295
Transport and Travel	5,831	595	6,427	3,289	239	3,528
Office Supplies	1,434	927	2,361	1,564	1,112	2,676
Depreciation	7,933	-	7,933	8,870	-	8,870
Programme Costs	35	2,050	2,085	45	4,334	4,379
Sundries	806	694	1,499	966	193	1,159
<b>Total expenditure on charitable activities</b>	<b>203,593</b>	<b>101,601</b>	<b>305,195</b>	<b>136,246</b>	<b>93,196</b>	<b>229,442</b>
<b>TOTAL EXPENDITURE</b>	<b>233,105</b>	<b>101,601</b>	<b>334,706</b>	<b>161,233</b>	<b>93,196</b>	<b>254,428</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 £
720	720

**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 £
154,952	118,153
7,927	5,271
4,353	3,554
<b>167,232</b>	<b>126,978</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 £
95,227	74,006

**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	5
7	6

**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 £
4,353	3,554

**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	59,185	60,852
Additions	-	-	-	-
Disposals	-	-	-	-
At end of the year	<b>1,104</b>	<b>563</b>	<b>59,185</b>	<b>60,852</b>

**9.2 Depreciation and impairments**

<b>**Basis</b>	RB	RB	SL
<b>** Rate</b>	25%	25%	4/7/10/20 years

At beginning of the year	842	385	20,766	21,993
Disposals	-	-	-	-
Depreciation	66	45	7,823	7,933
At end of the year	<b>907</b>	<b>429</b>	<b>28,589</b>	<b>29,926</b>

**9.3 Net book value**

Net book value at the beginning of the year	262	178	38,419	38,859
Net book value at the end of the year	197	134	30,596	30,926

**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
£	£
3,336	342
3,301	1,991
-	-
<b>6,637</b>	<b>2,333</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
£	£	£	£
4,607	1,506	-	-
5,084	3,131	-	-
2,163	1,774	-	-
212	491	-	-
<b>12,066</b>	<b>6,903</b>	<b>-</b>	<b>-</b>

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

Cash at bank and on hand

Total

This year	Last year
£	£
59,557	56,219
<b>59,557</b>	<b>35,022</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>	The coronavirus pandemic, cost of living crisis and strangles outbreak has had a negative impact on the charity's income. This year, the charity has been able to run fundraising events, open days, care home visits and well-being interventions. However for 3 months, all on and off-site activities involving equines had to stop due to the rescue yard being in lockdown with the strangles outbreak and the charity doing everything to minimise the spread of the disease. This	The coronavirus pandemic and cost of living crisis continues to impact charity income, meaning staffing levels are lower than the charity would ideally like. 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.
<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 and survives the cost of living crisis. The charity's principle sources of funds are the corporate sponsor and trust and grant fundraising. To ensure the charity's survival and sustainability long term, a phased reduction has started from the main corporate sponsor, with £100,800 committed for the next charity year and a steady decrease going forwards. Additional funding streams have been established (e.g., Crowdfunding and hire of facilities) and are steadily growing. 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. This is evidencing a positive trend in our annual accounts.	The charity has put a plan in place to keep expenditure to a minimum whilst it recovers from the effects of the pandemic and survives the cost of living crisis. Income streams 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.

## Section C

## Notes to the accounts

(cont)

## Note 14 Charity funds

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

\* Key: PE - permanent endowment funds; EE - expendable 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 2022 £	Income £	Expenditure £	Transfers £	Fund balances at 31 May 2023 £
Duchy Health Charity	R	To fund 10 children/young people to access free well-being interventions	-	5,000	-	-	5,000
Garfield Weston Foundation	R	Youth project funding	-	15,000	- 8,750	-	6,250
Jean Sainsbury Animal Welfare Trust	R	Towards animal care costs including salaries	-	8,000	- 4,442	-	3,558
Coral Samuel Charitable Trust	R		-	2,500	- 2,500	-	-
Postcode Local Trust	R	Youth project funding	-	15,000	- 6,250	-	8,750
Animal Friends / Jean Sainsbury Animal Welfare Trust / Sylvia Waddilove Emergency Funding	R	Towards animal care costs including salaries	-	2,500	- 2,500	-	-
Animal Rescue Foundation	R	Intake of 4 - 7 rescues	-	4,000	- 2,004	-	1,996
CCF - The Integrated Care Board Mental Health & Wellbeing Programme	R	Youth well-being project funding . starting charity year June 2023	-	9,809	-	-	9,809
CCF #iWill	R	To employ a new Volunteer Coordinator part time	-	9,927	- 803	-	9,124
National Lottery Awards for all	R	Youth well-being project funding	-	6,718	- 5,496	-	1,222
Sensory Garden	R	Sensory garden refurbishment	-	2,400	-	-	2,400
The Anton Jurgens Charitable Trust	R	Care home well-being project funding	-	5,000	- 1,338	-	3,662
ActionFunder SWW	R	Youth well-being project funding	-	1,000	- 1,000	-	-
Beryl Evetts & Robert Luff	R	Towards costs of equine rescues	-	5,000	- 5,000	-	-
CCF Sedel Collings	R	Youth well-being project funding	-	5,000	- 5,000	-	-
Co-op Nov	R	Youth well-being project funding	-	2,362	- 2,362	-	-
Edward Gosling	R	Youth well-being project funding	-	5,000	- 5,000	-	-
H4H	R	Towards vets bills	-	1,000	- 1,000	-	-
N4A	R	Towards costs of equine rescues	-	6,000	- 6,000	-	-
Lord Barnaby	R	Youth well-being project costs	-	3,000	- 3,000	-	-
N4A March	R	Towards costs of equine rescues	-	2,500	- 2,500	-	-
Persimmon	R	8 x care home well-being visits	-	1,000	- 1,000	-	-
Pixel	R	Youth well-being project funding	-	5,000	- 5,000	-	-
Sandra C Trust	R	Youth well-being project funding	-	5,000	- 5,000	-	-
SCG	R	80% of costs of marketing project and website upgrades	-	2,673	- 2,673	-	-
Arnold Clark Foundation	R	Towards costs incurred running youth projects	1,000	-	- 1,000	-	-
Cornwall Community Foundation Social Enterprise Grant	R	To fund Animal Welfare Assistant staff costs	5,652	-	- 5,652	-	-
Petplan	R	To fund Hugs Helping Hands Rescue Pony Team Project	7,000	-	- 7,000	-	-
V Delaney Charitable Trust	R	Towards cost of horse welfare	2,166	-	- 2,166	-	-
Claire Milne Trust	R	Towards bursaries for well-being sessions	4,220	-	- 4,220	-	-
Co-Op	R	Towards costs incurred running youth projects	445	-	- 445	-	-
Tesco Community Grant	R	Youth project funding	1,000	-	- 1,000	-	-
The Norman Family Charitable Trust	R	To fund urgent well-being support and reduce self-harm and suicide in children and young people in Cornwall	1,500	-	- 1,500	-	-
Unrestricted Funds	UR	N/A	67,529	198,863	- 233,104	-	33,288
Total Funds			90,512	329,252	- 334,705	-	85,055

## 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 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Fund balances at 31 May 2022 £</i>
Network for Animals	R	Towards cost of horse welfare	-	2,000	- 2,000	-	-
Arnold Clark Foundation	R	Towards costs incurred running youth projects	-	2,000	- 1,000	-	1,000
Cornwall Community Foundation Social Enterprise Grant	R	To fund Animal Welfare Assistant staff costs	-	20,420	- 14,768	-	5,652
Petplan	R	To fund Hugs Helping Hands Rescue Pony Team Project	-	7,000	-	-	7,000
V Delaney Charitable Trust	R	Towards cost of horse welfare	-	2,166	-	-	2,166
Co-Op Local Community Fund	R	Towards play area, sensory garden and sensory room	2,348	-	- 2,348	-	-
Together for Families	R	Towards bursaries for family well-being sessions	3,164	-	- 3,164	-	-
Claire Milne Trust	R	Towards bursaries for well-being sessions	382	10,000	- 6,162	-	4,220
The Clara E Burgess Charitable Trust	R	Towards bursaries for well-being sessions	2,950	-	- 2,950	-	-
Jean Sainsbury Animal Welfare Trust	R	Towards animal care costs including salaries	-	8,000	- 8,000	-	-
Co-Op	R	Towards costs incurred running youth projects	-	445	-	-	445
Animal Rescue Foundation	R	Towards animal care costs and vet bills	983	-	- 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	5,400	-	- 5,400	-	-
Tesco Community Grant	R	Youth project funding	-	1,000	-	-	1,000
National Lottery Awards for All	R	Veterans Well-Being Project	3,369	-	- 3,369	-	-
The Michael & Shirley Hunt Charitable Trust	R	12 x care home visits	1,000	-	- 1,000	-	-
Postcode Local Trust	R	Youth project funding	-	10,000	- 10,000	-	-
Pets at Home Foundation	R	To fund costs including vet bills, food bills and Mudcontrol mats and sand	-	15,000	- 7,220	- 7,780	-
Elise Pilkington Charitable Trust	R	Land Maintenance	797	-	- 797	-	-
The Norman Family Charitable Trust	R	To fund urgent well-being support and reduce self-harm and suicide in children and young people in Cornwall	-	1,500	-	-	1,500
Garfield Weston Foundation	R	Youth project funding	-	10,000	- 10,000	-	-
Duchy Health Charity	R	To fund 10 children/young people to access free well-being interventions	-	5,000	- 5,000	-	-
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	42,395	178,586	- 161,232	7,780	67,529
<b>Total Funds</b>			<b>71,824</b>	<b>273,117</b>	<b>- 254,429</b>	<b>-</b>	<b>90,512</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		

## 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.	£ 125,280	£ 120,000



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

## Trustees' Annual Report for the period

**From** 1<sup>st</sup> June 2022    **Period start date**    **To** 31<sup>st</sup> May 2023    **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 an equine rescue centre that 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, ponies and donkeys. 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, bereavements, 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. 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, ponies and donkeys.</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 into a forever home and to provide well-being support to those in need. We do this by:</p> <p>Working alongside other rescues and organisations including; World Horse Welfare, the Mare &amp; Foal Sanctuary, the RSPCA, the police and local councils, to rescue animals in need.</p> <p>Being active members of the National Equine Welfare Council (NEWC).</p> <p>Rehabilitating rescue equines 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.</p> <p>Finding the right match for our rescues and their forever home.</p> <p>Attending events and running open days to raise awareness of the charity, educate the public about animal welfare and human well-being and promote positive animal welfare.</p> <p>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 services, nature activities, therapeutic learning, ecotherapy,</p>

		<p>teambuilding, arts and crafts, forest based activities, learning about sustainability and practical skills, such as horticulture and growing vegetables.</p> <p>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 pony), go to them. The smiles this brings to people and feedback we receive 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.</p> <p>In April 2022, we were one of the first organisations to be accepted onto the Human Equine Interaction Register UK (HEIR). There have been no regulations in the UK to protect both the service users that access organisations for support and the equines that work in therapeutic sessions, leaving both at risk of further harm. The register has been created to ensure all people involved in the field of human equine interactions operate credible, high quality, safe and ethical practice standards for their service provision. We are incredibly proud to be part of this.</p> <p>There have been 9 ponies returned to the facility during this period, due to changes in owner circumstances including finances and loss of grazing 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 Hugs and look to rehome them again.</p> <p>Three of these ponies found new homes, 2 have been reserved and will be going to their new homes soon, 1 is in a long term foster home, 2 sadly crossed the rainbow bridge (one sadly due to colic and the other due to old age and worsening health conditions) and the other has stayed at Hugs and joined the youth well-being team.</p>
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		<p>The charity is fully insured. All staff are enhanced DBS checked, a full safeguarding policy and procedure is 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 volunteer and charity, although this has remained reduced in number due to staffing capacity. However, we have now recruited a part time Volunteer Coordinator to reestablish our volunteer programme in 2023/2024. See below section 'contribution made by volunteers' for future plan.</p> <p>In 2021 we ran a pilot veterans project which was a success. This is something that the charity would like to offer permanently but is subject to funding and staffing capacity.</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	<p>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.</p>

#### **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	<p>Our volunteers are an essential asset to the charity. Volunteers undertake important tasks such as mucking out, grooming and essential groundwork that helps keeps the land a safe environment for our rescue animals. All our volunteers are taken through a volunteer induction</p>

		programme, have ongoing training and are DBS checked. We have been running on reduced numbers due to our staffing capacity. We have now recruited a part time Volunteer Coordinator to enable us to run more volunteer programmes including supported volunteering for both existing youth service users and vulnerable adults and allow us to reach more of our community. This will develop over the next charity year.
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 our most challenging one yet with the cost-of-living crisis directly following the impact of the coronavirus pandemic. In September 2022 disaster struck as the rescue yard had a strangles outbreak. The yard has strict isolation rules but sadly the outbreak came from a pony who was a carrier so had gone through isolation with no symptoms showing and had been at the charity for several months. Another of our ponies started showing symptoms and was isolated straight away. This meant that every horse on site had to be tested to discover who the carrier was (about 10% of equines that have the disease can become carriers and show no symptoms for years). This resulted in a vets bill of over £20,000 (the total of our usual annual vets bills) and all activities coming to a halt on site to minimise the spread, the knock on effect being a reduced income during that period. Luckily the poorly ponies recovered well and we got the all clear in December. We wanted to give a huge thank you to the wonderful Carbonxgen who very kindly donated to pay the vets bill that occurred from the outbreak, we cannot thank the business enough for their kindness.</p> <p>The charity has continued been innovative and flexible and despite the difficulties, managed to achieve great things including:</p> <p>Rescued 25 equines in this year from situations of illness, mistreatment and/or abandonment (a total of 187 horses, ponies and donkeys and over 200 other animals in total since opening in 2017).</p>

		<p>Rehomed 31 of those rehabilitated equines (a total of 139 since opening in 2017).</p> <p>Provided 697 hours of mental well-being support to 127 individual children and young people (a total of 6,520 hours and 704 individuals supported since opening in 2017).</p> <p>Our feedback forms are completed on a voluntary basis as for some service users compulsory completion may expose them to additional pressure and we have found that this can be a barrier and cause a service user to shut down. In addition, some service users have such complex needs that completing the form is impossible or their needs are such that the form would not provide for accurate data. Some service users just do not wish to complete the form and we respect their wishes. We do try to encourage a verbal quote at least, to see if we have made a positive difference to them and gather feedback from the parent or carer that attends sessions with them.</p> <ul style="list-style-type: none"> <li>• Of the 127 service users, 17 (13%) completed a feedback form. Nine individuals completed the 7 item Warwick Edinburgh Mental Well-Being Scale (WEMWBS) with 89% recording a positive change in their well-being.</li> <li>• Eight service users completed the traffic light feedback form. 100% reported an increase in their well-being.</li> </ul> <p>From additional analysis we found trends in:</p> <ul style="list-style-type: none"> <li>• <a href="#">Mirroring and reflection in behaviours and emotions between animals and young people.</a></li> <li>• Feeling comfortable to open up, discuss problems and feeling happier through talking to animals.</li> <li>• <a href="#">Learning about the animals helped service users to feel more confident around them.</a></li> <li>• Finding it easier to talk to new people.</li> <li>• <a href="#">Reduced suicide ideation and self-harm.</a></li> <li>• Improved confidence and knowledge for parents/carers to recognise mental health ill in young people and knowing how/where to access additional support.</li> <li>• <a href="#">Improved access and work between professionals to support</a></li> </ul>
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		<p>young people e.g., Hugs support created more positive treatment developments with services such as NHS CAMHS.</p> <ul style="list-style-type: none"> <li>• Improved ability to control, cope with and grow from life's challenges.</li> </ul> <p>Examples of outcomes of our work who have attended sessions this year:</p> <p>"I feel happy when I am at Hugs, the animals help me to forget about all my worry thoughts." Feedback from service user</p> <p>"I feel on top of the world." Feedback from service user</p> <p>"I just want to thank you for making my time at Hugs really amazing! From my first week there I instantly liked it so much! Every time I go to Hugs, I feel really happy and even when I'm leaving, I feel happy just reflecting on what I did, whether it be seeing the horses and learning about them or cuddling Frankie the guinea pig or even just being there, it has been really spectacular! Thank you so much for making it the highlight of my summer holidays!! I'll be sure to always remember Hugs and all the good times I had. It has really helped to gain confidence with the outside world again and get rid of that fear. Thank you!" Feedback from service user</p> <p>"My daughter started her sessions today and she came home a different kid. Thank you." Feedback from parent</p> <p>"My daughter's anxieties have reduced since she's worked with Liz. Her biting fingers still remains but we don't have blood or raw fingers as we did when she started. She is much happier in herself and she even won the KS1 trophy for Kindness award! You've really helped both my daughter and our family as a whole so much. We can't thank you enough." Feedback from parent</p> <p>"My daughter has faced some challenges already in her childhood and we were signposted to you through First Light. We had been seeking external help through the 'GP', the School - 'Trauma Informed Schools' and 'Reconnect' through Barnardos. My daughter has some challenges with her relationship with her father and sadly has had a tricky time at school. We worked hard with the school but</p>
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		<p>due to additional external factors we were unable to turn the situation around for my daughter. Since coming to the Hugs Foundation the difference in my daughter was incredible. She really began to flourish both within the school system (she had started at a new school) and she was better equipped in her challenges she was facing with her relationship with her father. The positive impact of the Hugs Foundation is hard to describe. It has been truly amazing and my daughter is always so delighted to attend. The expertise of Liz and Hazel alongside their kindness and the animals combine to be very special therapy. It gave my daughter confidence and she began to be self-assured again. I would like to thank you all again and for you to know just how invaluable you are as a therapy centre!" Feedback from parent</p> <p>"My son has been attending Hugs session this year and they are definitely the highlight of his week. His is autistic and struggles with many aspects of everyday life, but Hazel is brilliant and puts him at ease, he has opened up about his difficulties whilst there. Hugs is the most amazing place with the most amazing people. I don't know what we would do if my son couldn't go. The impact it has is outstanding, my son can be calm and happy for a small part of the week, just be himself and stop worrying about everything else for a time." Feedback from parent</p> <p>The full impact report can be read here:  <a href="https://hugsfoundation.org.uk/wp-content/uploads/2023/08/Youth-Services-Impact-Report-June-22-to-May-23.pdf.pagespeed.ce.Rj9Pz1ttsl.pdf">https://hugsfoundation.org.uk/wp-content/uploads/2023/08/Youth-Services-Impact-Report-June-22-to-May-23.pdf.pagespeed.ce.Rj9Pz1ttsl.pdf</a></p> <p>Provided volunteering opportunities to 14 people. This was an increase on our previous charity year but still a reduced capacity due to our staffing capacity to manage volunteers.</p> <p>Provided work experience opportunities for 2 people (one over a week and one over several months). This was reduced numbers due to our staffing capacity to manage work experience/placements.</p> <p>We have been able to carry out 19 care home visits with our rescue pony, Dude. This project was kindly funded by the Persimmon Charitable Trust and the Anton Jurgens Charitable Trust.</p>
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		<p>We were hoping to run our veterans well-being project after the success of our pilot project but sadly we have not been able to due to the demand for youth well-being sessions, staffing capacity and funding limitations. We hope this is something we can get up and running in the future.</p> <p>We have continued to build relationships and partnerships which include; 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.</p> <p>We have 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. We have visited schools for educational visits and have attended 8 community events including; a visit to Sowenna (NHS youth mental health unit), Knightswood show, Home Farm show, Tregony show, a Pass Wide &amp; Slow event ride, Bodmin Fire Station open day, Treglyn garden open day and a Christmas walk.</p> <p>We have also raised awareness in the local community including; Morrisons, Tesco, Asda, Co-Op, Griggs Country Store, Mole Valley, Trago and Pencarrow House and Gardens.</p> <p>We have had 3 open days at Hugs rescue centre and trialled a 'Tea, Talk &amp; Tour' event, that went well and will be considered in future for a different type of event on-site.</p> <p>We have had visits from school and colleges including EHCP learner groups and young farmers groups, presented at an NHS researchers group and given a guest lecture at a local university. We have been involved with our local media and appeared on ITV, BBC Radio Cornwall and Rewind Radio.</p> <p>We have continued to work collaboratively with the National Equine Welfare Council (NEWC), the Federation of Horses in Education and Therapy International (HETI) UK, the South West Equine Assisted Practitioners Regional Meeting and are on the Human Equine Interaction Register (HEIR) to ensure we provide the best</p>
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		<p>services possible to both humans and equines.</p> <p>The fundraising strategy was continually monitored and adjusted to enable the charity to recover after the pandemic and with the current cost of living crisis. Strangles was an example of how quickly things can change for financial planning and we are grateful to the fantastic business, Carbonxgen for their continued support alongside other corporate funders including; Pets at Home, Proper Cornish, Aspects Holidays, SUEZ Recycling and Recovery UK Ltd, Animal Friends and Camel Creek Family Theme Park. We have also started attending networking events with Your Partnerships to connect with more potential corporate partners.</p> <p>We have diversified our income streams further from; applications to trusts and grants, increasing donations via direct debits and individual giving, memberships, legacies and corporate sponsorships to now include hiring of our facilities, activity days during school holidays and Crowdfunding. Our first Crowdfunder raised just over £9,000 so we will be planning on running another in the coming charity year.</p> <p>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. From June 2021 to 31<sup>st</sup> May 2022 we raised £99,531. This charity year we have raised £130,389.</p> <p>Funders have included; Garfield Weston Foundation (this was our first multi-year funding) Network for Animals, The Beryl Evetts and Robert Luff Animal Welfare Trust Ltd, Persimmon Community Champions, The Edward Gostling Foundation, Animal Friends, National Lottery Awards for All, Coral Samuel Charitable Trust, The Sedel Collings Foundation(through Cornwall Community Foundation), Post Code Local Trust, South West Water Neighbourhood Fund via ActionFunder, Co-op, Sandra Charitable Trust, Horses 4 Health (via HorseWorld), The Pixel Fund, The Anton Jurgens Charitable Trust, Tesco Community Grants (Groundworks), Asda, The Lord Barnby Foundation, Duke of Cornwall Benevolent Fund, #iWill Fund (through CCF), The Integrated Care Board Mental Health &amp; Wellbeing Programme (through CCF), Pets at Home Foundation, Jean</p>
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		<p>Sainsbury Animal Welfare Trust and the Animal Rescue Foundation.</p> <p>Regular donors have increased from 16 monthly donors donating £2,400 every year in 2019 to 127 donating over £11,600 every year for Hugs. 'Sponsor an Animal' gifts for resident animals has continued to be popular totalling over £1,100 for the year.</p> <p>We have continued to work with professionals, including; a Health and Safety consultant, to ensure we are doing the best we can to support our charity and service users and keep all safe, a GDPR consultant to ensure we keep our clients and supporters data safe.</p> <p>We have added counselling and supervision support for our staff and volunteers. Our youth well-being staff receive support on a regular basis and the offer is there for all other staff and volunteers to take up if they wish. This is to ensure we are playing our part in looking after everyone's mental health and well-being.</p> <p>We have created more track systems for those rescues who are overweight or suffering from or susceptible to laminitis following the success in our previous charity years, with one pony losing an incredible 7 stone!</p> <p>A future plan has been established 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. This includes recruiting a part time fundraising and marketing assistant to grow our income further.</li> <li>• Increase capacity for on-site well-being support to meet demand through recruiting an additional Youth Well-Being Facilitator through the National Lottery People's Projects funding.</li> <li>• Continue to train staff and liaise with other professionals in the sector to ensure the referrals being received are getting the best support they can and we have the best safeguarding etc to keep services users safe.</li> <li>• Continue to be active members of HEIR, NEWC and the South West Equine</li> </ul>
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		<p>Assisted Practitioners Regional meetings – the next one is being held at Hugs in September 2023.</p> <ul style="list-style-type: none"> <li>• Continue to monitor moorland welfare. We have established contacts in this area and will be working closely with them to ensure welfare on the local moors is monitored and intervention made when necessary.</li> <li>• Develop our volunteer programme on-site to include support to young people beyond their well-being sessions and reach out to other demographics including vulnerable adults. Include a qualified therapist as an additional staff member to support this project, subject to funding.</li> <li>• Our new Volunteer Coordinator will also develop services for corporate groups including team building activities. This will raise awareness for the charity, build corporate relationships and aim to increase fundraising opportunities.</li> <li>• Continue to develop our staff through training and education appropriate to their sector.</li> <li>• Create an all-weather turnout area as an additional facility for equine rescues.</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>We are now in our 4<sup>th</sup> year of fundraising and despite the huge challenges (covid pandemic, cost of living crisis and strangles outbreak), we have continued to grow our fundraising streams and become less dependent on our corporate sponsor, following the plan to become more sustainable.</p> <p>Funding streams are diverse and include; individual giving, memberships, legacies, activities within the local community, trust and grant funding and Crowdfunding.</p> <p>From August 2019 to 31st May 2020, the charity received £53,750 from trusts and</p>

		<p>grant funding. From June 2020 to 31st of May 2021 this increased to £94,981. From June 2021 to 31st May 2022 we raised £99,531. This charity year we have raised £130,389.</p> <p>Two huge milestones for trust and grant fundraising were our first multiyear grant from the Garfield Weston Foundation and winning the National Lottery's People's Projects, bringing in £59,844 for our next charity year towards our youth well-being project. We have also had repeat funding from Animal Friends, National Lottery Awards for All, Post Code Local Trust, Co-op, Pets at Home Foundation, Jean Sainsbury Animal Welfare Trust and the Animal Rescue Foundation.</p> <p>Regular donors have increased from 16 monthly donors donating £2,400 every year in 2019 to 127 donating over £11,600 every year for Hugs. 'Sponsor an Animal' gifts for resident animals has continued to be popular totalling over £1,100 for the year.</p> <p>We have joined 'Remember a Charity' to help us with our legacy fundraising and are planning a weeklong campaign for the next charity year.</p> <p>The charity is proud of the achievements made in fundraising, which have been very positive, especially considering the challenges faced.</p>
Investment performance against objectives	Para 1.41	
Other		

## Financial Review

Review of the charity's financial position at the end of the period	Para 1.21	<p>Due to the cost of living increases and the strangles outbreak, our expenditure has increased forcing us to source other avenues of income.</p> <p>During the year receipts of £329,252 were received from donations, trust and grants, sponsorships, rehoming fees and service charges. Of this, £125,280 was received from a corporate sponsorship partner that provided donations to set up and establish</p>
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		<p>the charity through support with staffing and running costs. The agreement for the year was £100,000, however, the business very kindly donated extra funding to cover the strangles vets bill. The partnership will continue to provide support for the charity with an aim to becoming self-funding in the long term. A flexible and phased plan is in place for this with £100,800 committed for our next charity year and a steady decrease over the following years.</p> <p>£130,389 was raised in trust and grant funding, an increase on the previous year. A fundraising strategy and business plan is in place to reduce the donation amount and reliance on the corporate donor and diversify income streams, working towards self-sustainability. This has been successful so far, for example, regular donors have increased from 16 monthly donors donating £2,400 every year in 2019 to 127 donating over £11,600 every year for Hugs and this year we ran our first Crowdfunder raised over £9,000, a respectable amount for our first one. We have also trained 2 staff members in Gift Aid ready for our first claim.</p>
Statement explaining the policy for holding reserves stating why they are held	Para 1.22	<p>The Hugs Foundation is a fairly young charity and 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 and now the cost of living crisis and strangles outbreak, have 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. Having very little reserves does cause a financial strain on the charity, however, the diversity and flexibility of the Trustees and fundraising strategy in place, has ensured the charity is successful in gaining income and is surviving.</p> <p>In the next charity year, The Hugs Foundation has an agreement with its corporate sponsor, to receive £100,800 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</p>

		<p>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.</p> <p>The Hugs Foundation is ultimately aiming to increase its level of unrestricted funds and reserves 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 is reviewed annually by The Hugs Foundation Trustees.</p>
Amount of reserves held	Para 1.22	Total reserves held on 31 May 2023 were £85,055, split as unrestricted funds of £33,288 and restricted funds of £51,767. £7,790 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, cost of living crisis and strangles outbreak has had a negative impact on the charity's income. This year, the charity has been able to run fundraising events, open days, care home visits and well-being interventions.</p> <p>However, for 3 months, all on and off-site activities involving equines had to stop due to the rescue yard being in lockdown with the strangles outbreak and the charity doing everything to minimise the spread of the disease. This meant that our care home visits and youth well-being sessions had to come to a stop during this time. However, the charity is now back up and running at full capacity, has put what we have learnt from the outbreak into practice to ensure we do everything we can to stop any outbreaks in the future and we have been successful in applications for additional grant funding which has been received in 2022-2023.</p>



		<p>There is a flexible and diverse fundraising plan in place, including diversifying funding streams e.g., Crowdfunding and individual giving, which has increased this year. Demand for equine rescues and rehoming is continuing to rise and well-being service referrals have continued to see a huge increase and so the outlook for The Hugs Foundation is looking optimistic.</p>
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### Additional information (optional)

You may choose to include further statements where relevant about:

<p>The charity's principal sources of funds (including any fundraising)</p>	<p>Para 1.47</p>	<p>The charity's principle sources of funds are the corporate sponsor and trust and grant fundraising. To ensure the charity's survival and sustainability long term, a phased reduction has started from the main corporate sponsor, with £100,800 committed for the next charity year and a steady decrease going forwards.</p> <p>Additional funding streams have been established and are steadily growing and include:</p> <ul style="list-style-type: none"> <li>• individual giving, both one off donations and regular monthly donations</li> <li>• memberships (Sponsor a Rescue or Stable)</li> <li>• service charges (well-being support)</li> <li>• animal rescue rehoming fees</li> <li>• livery</li> <li>• tack sale donations</li> <li>• hire of facilities</li> <li>• Crowdfunding</li> <li>• Legacies</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. This is evidencing a positive trend in our annual accounts.</p>
<p>Investment policy and objectives including any social investment policy adopted</p>	<p>Para 1.46</p>	
<p>A description of the principal risks facing the charity</p>	<p>Para 1.46</p>	<p>The trustees have assessed the major risks to which the charity is exposed and are satisfied that the systems in place (risk register etc.) will help to mitigate the risk or</p>

		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	Paul Jonathan Dransfield			
4	David Peter Sell			
5	Rachel Pocknell			
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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

#### 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	06/12/2023	