



CHARITY COMMISSION
FOR ENGLAND AND WALES

Trustees' Annual Report for the period

From 1st June 2023 **Period start date** **To** 31st May 2024 **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 charity, based in Bodmin, Cornwall, dedicated to improving animal welfare and the mental health and well-being of people through the therapeutic power of rescue animals and nature. Our work encompasses rehabilitating horses, ponies and donkeys that have suffered from neglect, abandonment or mistreatment, providing them with a safe, nurturing environment and aiming to find their forever home.</p> <p>We also provide therapeutic support to various groups, including children, young people and the elderly. We support a huge range of challenges, complex and additional needs including; social, emotional, physical and mental ill health, neurodiversity, trauma and abuse, bereavements, self-harm, suicide ideation, non-school attendance and social isolation, through animal-assisted services and working with the natural environment.</p> <p>We offer a unique and effective form of alternative support, alongside the rescue animals, encouraging emotional healing, resilience and personal growth. The work the rescue animals do, alongside our service users, is invaluable, it supports the animals to progress through their rehabilitation and find their forever home. Our work also includes offering educational programs, and community outreach to care homes and hospices.</p> <p>Our multiple aims and objectives include:</p> <ul style="list-style-type: none">• the rescue, rehabilitation and re-homing of unwanted, sick, mistreated and

		<p>abandoned horses, ponies and donkeys.</p> <ul style="list-style-type: none"> • to promote humane behaviours towards animals and educate the public in positive animal welfare. • to work alongside other rescues and organisations to make as big a difference as possible to animal welfare. • to improve children and young people's social, emotional, physical and mental health and well-being through on-site interventions. • to decrease loneliness and increase social inclusion and hope amongst the elderly through visits to care homes. • to improve the social, emotional, physical and mental health and well-being of serving military personnel and veterans.
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 & 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), The Federation of Horses in Education and Therapy International AISBL (HETI) and the Equine Assisted Services Partnership CiC.</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</p>

		<p>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, outdoor learning, 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's faces 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 animals' welfare to ensure they are always happy and healthy.</p> <p>In April 2022, we were the first organisation in Cornwall 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 14 ponies returned to the facility during this period, due to changes in owner circumstances including finances (9), owner health concerns (3) and loss of</p>
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		<p>grazing (2). We continue to provide care for those returned to Hugs and look to rehome them once more. Eight of these returned ponies found new homes again, 1 has been reserved and will be going to their new homes soon, 5 are ready for rehoming and will continue to undergo training whilst remaining at Hugs.</p> <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 continue to provide vital resource to the charity through activities such as; animal care and essential yard tasks, home checks, maintenance, admin, events and fundraising support, providing benefit to both volunteer and charity. Our Operations and Volunteer Manager has set up a new volunteer recruitment, training and retention programme and volunteer numbers are now growing once more.</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	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.

Additional information (optional)

You may choose to include further statements where relevant about:


	SORP reference	
Policy on grant making	Para 1.38	N/A.
Policy on social investment including program related investment	Para 1.38	N/A.
Contribution made by volunteers	Para 1.38	In May 2023 we recruited our first Volunteer Coordinator (now the Operations and Volunteer Manager, as of March 2024). We

have implemented this role to develop the volunteer programmes and the operational side of the charity. Since May 2023, we have worked on increasing volunteer numbers across a variety of roles. Having more volunteers on board to support us, ultimately means we can rescue and rehabilitate more horses, assist more vulnerable people through our well-being services and support our local community via our community outreach programmes. Throughout the year we have recruited over 20 dedicated, hard-working and enthusiastic volunteers into our small charity; increasing our numbers from 5 to 24 regular volunteers.




We are currently onboarding volunteers into multiple areas of the charity to further grow and develop our organisation. Tasks such as cleaning and labelling tack donations, writing our monthly newsletter to our supporters, running stalls and activities at events for fundraising and helping to grow fruit, veg and herbs for the animals in our care are all great ways of getting involved with the charity, having an impact on the lives of animals and people and helping to make a difference. In this charity year, volunteers have contributed an incredible 1,759 hours to The Hugs Foundation.



		
Other		N/A.

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>Equine Rescue</p> <p>In this charity year we have rescued 27 equines (a total of 214 horses, ponies and donkeys and over 240 other animals in total since opening in 2017).</p> <div data-bbox="732 1126 1302 1971">  <p>Pumpkin Before & After</p> </div> <p>We have rehomed 28 of those rehabilitated equines (a total of 167 since opening in 2017).</p>

KitKat

On arrival at Hugs and now in her forever home



Recent statistics released from NEWC have highlighted that our rehoming value was the 10th highest, and our intake value was 9th highest within the rehoming charities who report to NEWC. Our small charity is statistically higher than some of the leading charities in the UK, which is a huge achievement for such a small team.

We have maintained communication with other leading equine charities in the UK. We have regular communication with World Horse Welfare and the RSPCA inspectors who cover Cornwall and Devon. The inspectors who cover Dartmoor and Bodmin Moor have a clear concept of our abilities to rehabilitate and train the types of feral equines that exist on the moors.

The animal welfare team have a constant stream of enquiries regarding rehoming, welfare and surrender. Most of these are actioned in house, but prosecution cases and moorland concerns are transferred to the appropriate inspectorates and if we are unable to take in any surrender cases, we will signpost them to NEWC charities.

35% of our intakes are surrender cases. We have seen an increase in this type of rescue this year, due to a number of reasons including owner physical or mental ill health, finances, loss of grazing/livery and welfare needs no longer being able to be met.

Additional large intake categories are unclaimed equines, which include Bodmin and Dartmoor, plus welfare intakes which are definitive welfare cases that have been removed from the owner and not surrendered.

We have increased our tack sale and rehoming events, which in turn, have increased our income and rehoming applications. Our arena has had a revamp, and we have been able to hold a day clinic with Idyllwild Horsemanship as our guest clinician and hire the arena to add another income stream.



We have added an all-weather turnout area to our facilities, thanks to a grant from the fantastic Pets Foundation, which is being very much enjoyed by our equine rescues, saving them from the multitude of mud and rain we have seen! This is a huge asset to our facilities. In summer, we will be able to use it for those horses and ponies with conditions such as EMS and laminitis and in winter, for those who suffer from things like mud fever.



Youth Mental Health & Well-Being Project

Recent NHS data found the number of children in mental health crisis at record levels with urgent referrals now more than 3 times higher than in 2019. A child/young person is now being referred to the NHS every 30 seconds. In May 2023 there were 466,250 referrals made nationally to Child and Adolescent Mental Health Services (CAMHS). Thousands are having to wait months, even years to access support. The number of secondary school young people with emotional/behavioural disorders increased by 133% between 2012 and 2016 alone (Cornwall Council, 2017). Our schools are overwhelmed with the number of children needing additional support. There is huge demand for our project's alternative provision/support with all referrals coming through word of mouth.

In this charity year, we have reached 109 children and young people, 64 of which were new to Hugs and 43 attended an additional block of sessions. Hugs delivered 642 hours of well-being interventions this

year. This brings our total number of individual children and young people supported to 813 and over 7,162 hours of well-being sessions conducted.



A huge achievement this charity year was that the youth well-being project (named Hooves, Hearts and Minds Aligned) was fully funded through trusts and grants, for the first time, making it financially accessible to all. A massive thank you to all that made this possible including; the National Lottery's People's Projects, Cornwall Community Foundation, the Garfield Weston Foundation and the Postcode Local Trust.

We have been accepted onto the new Cornwall Council Quality Provision Register as an accredited provision. Public sector services in Cornwall will only be able to refer to providers on this register from September 2024, so this will open new doors and add to our credibility. Our staff are undertaking the new Equine Assisted Services Diploma, the only official qualification in the UK regulated by Ofqual and accredited through OCN London.

We have added equipment to our sensory garden thanks to some grant funding and donations from our amazing supporters. This has included an extension to our wildlife pond, a den area, patio and pergola to create a de-escalation and calm, reflective space for our service users.



We have created a progression route for our service users so they can progress to supported volunteering with groups of similar ages and needs, enabling peer support and developing further skills. This is thanks to grant funding and will be running from September 2024. Liskeard Secondary School will also be starting a group supported volunteering project.

We have been contacted by several women's refuge organisations in Cornwall and will be delivering one off sessions throughout Summer 2024. We also have a local forest school who are interested in working together on projects. This would be great for some collaborative team building days and also tree planting etc.

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. We are currently applying for funding to

undertake an external evaluation process of our provision, measuring tools and its impact to find a measuring/feedback tool for our service users that is more engaging, removes barriers and provides more accurate reporting.

Outcomes

- Of the 109 service users, 20 (18%) completed a feedback form.
- 12 individuals completed the 7 item Warwick Edinburgh Mental Well-Being Scale (WEMWBS) with 83% recording a statistically significant change in their overall well-being.
- Eight of our younger service users completed the traffic light feedback form. 100% reported an increase in their well-being.
- We have had 5 feedback forms completed with questions asked to the supporting adult who attended with service users (e.g. parents/school). Results are below.

Do You Feel Hugs Supported Your Child/Young Person (n = 5)	% Reporting Yes
In Their Time of Need or Crisis?	100%
To Improve Their Confidence and Self-Esteem?	100%
To Improve Their Resilience and Empowerment?	100%
To Improve Social Inclusion	100%

We have supported over 40 different needs. Many of the service users who attend Hugs sessions come with more than one need, and they are often complex ones. As part of the support offered, we aim to get to know each service user as an individual, including their likes and dislikes. This then enables us to look at their needs alongside their preferences to create bespoke sessions for them, which in turn, creates child-led support for the service user. This year we have seen an increase in the need for support for neurodiversity, anxiety, emotional dysregulation, social isolation and non-engagement with school.

We have noticed that certain activities are able to support specific needs. For example, grooming/brushing our ponies and encouraging a gentle, repetitive rocking movement with brush strokes enables us to hold the space for them and this has supported:

- help with emotional regulation
- learning grounding techniques and calming the mind
- rocking movements can help stimulate the release of oxytocin
- understanding the feeling of 'in the moment'

We have worked with a greater number of children that are NEET and often Hugs is the only activity that they are leaving their homes for. Consequently, gross motor skills have been impacted along with being able to identify risk and the ability to safely risk take. We have also noticed a greater need for some additional facilities for our young people. This includes a swing to aid emotional regulation. Combining these learnings, we are now applying for funding to install a natural climbing frame area, including a swing. This is to aid emotional regulation and to help with strength, coordination and safe risk taking.

It has been more difficult to gather feedback, due to how complex needs are becoming and parents/schools not returning forms. This may also be because we are so passionate about hearing how the child is feeling over what an adult perception is, so we get less physical data and more comments about their feelings. To improve the number of people completing feedback, we are looking at recruiting a volunteer to concentrate specifically in this area. We are also applying for funding to undertake an external evaluation to discover if there is a more suitable measuring tool that would remove more barriers and be more engaging for service users.



Feedback

“My daughter has been to settings where they have not been able to meet her needs and have given up on us. Hugs have been a lifeline of therapeutic support and solace for both of us.”

“My son is happy at Hugs but is also a lot happier at home.”

“I just wanted to let you know just what an impact Hazel and Yilly made with my son on Friday. We popped to Aldi afterwards and when we got out of the car his words were 'I feel on top of the world for what I achieved today, I'm so proud of myself' so a BIG thank you to Hazel & rescue pony Yilly, as a parent of a child

		<p>that struggles so much with his mental health it filled me with joy hearing and seeing the achievement he made."</p> <p>"My daughter was anxious about starting sessions because of all of the unknown factors. She has been unable to face any group activity since being de-registered from school in September 2023. She has loved the sessions! Her confidence has grown quickly around the animals, she now never wants to leave! She is noticeably calmer and chose to take part in a Hugs group session, even though it was a group! This is a huge development."</p> <p>"My daughter has accessed Hugs over the last two years, and I cannot stress enough how important their work is. My daughter is in Autistic burn out and has been through many traumas and as a result is unable to access mainstream education. Hugs has been the only provision that she has managed to attend and the difference it has made is amazing. The therapeutic effect of animals is truly incredible but not only that, the whole team at Hugs, especially Hazel the Youth Well-Being Manager, are so good at what they do and seem to really understand young people and how to help them. My daughter has tried other equine therapies, but none have come close to Hugs in their understanding and activities.</p> <p>On another note, I work as a nurse specialist and refer young people to Hugs on a regular basis. Most of these young people are vulnerable and have behavioural and/or emotional difficulties. These young people almost always rely on funded sessions, and this is so important as without it, these 'hard to reach' families would almost certainly be unable to access this vital therapy. Without Hugs there would be a huge gap in this kind of therapeutic provision. We are in the midst of a mental health crisis for young people currently and Hugs provide a much needed service that must continue."</p> <p>Read the full impact report here: https://hugsfoundation.org.uk/wp-content/uploads/2024/08/Youth-Wellbeing-Impact-Report-23-24.pdf</p>
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Community Outreach

We have delivered a number of education talks or facilitated visits in both animal welfare and human well-being to organisations including:

- WI
- Young Farmers
- Little Harbour (Part of Children's Hospice Southwest)
- Barnardo's
- Scout groups
- Brownie packs
- Woman's Refuge Group
- Bodmin Folk Group
- School groups
- College groups
- Georgia's Voice
- Guide Dog youth group

We have supported over 70 school children in this charity year and have established partnerships where several schools are now fundraising for us.



Care Home Well-Being Project

We have been able to carry out 32 care home visits with our rescue pony, Dude. This is a 68% increase on the previous charity year, evidencing the demand for

this service. This project was kindly funded by the Anton Jurgens Charitable Trust, The Hedley Foundation and public donations. Our visits incorporate animal interactions which include talking about well-being for both animals and humans. These visits lower blood pressure, increase 'feel good' endorphins, reducing stress and anxiety. The project has continued to be a huge success with visits now booked up nearly 12 months in advance!

"Well, what an amazing afternoon! We have been very privileged to have the company of Hugs. The love and dedication of Hazel and Jane shone through, their caring approach with Dude and our residents was the best experience ever. Dude was rescued by the charity when he was 3 months old, he would not have survived without the kindness and dedication of the charity. Dude certainly showed his appreciation and gratitude. Please come back to see us soon!" Roseland Court Care Home

"The residents at Penrice House thoroughly enjoy the afternoons when Dude visits. Dude has such a calming influence and the residents love interacting with him. Whenever Dude and the team visit, I know that it will be a fun filled afternoon with lots of smiles. I cannot thank Hugs enough for everything they do for us." Penrice House



Other

We were hoping to run our military and veterans' well-being project after the success of our pilot project in 2021 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.

We have continued to build relationships and partnerships which include; Young People Cornwall, Barnardo's, Real Ideas, women's refuges, other departments in the NHS and Cornwall Council, Children and Adolescent Mental Health Services (CAMHS), additional schools, both primary and secondary, children in care units, community nurses, social workers and social prescribers.

We have continued to work within with the local community, attending 9 community events including; Bodmin Hospital Fete, a Pass Wide & Slow event ride, Bodmin Fire Station open day, Bodmin dog show, Asda and Pets at Home. Dude and the team visited Cornwall College, Newquay University Centre to deliver a guest lecture to their university students. This is the second year we have been invited and we are delighted to say that we have been invited back for the next charity year. We also attended our first Christmas fair at Pencarrow House and Gardens and took new merchandise including mugs, bags and notepads, raising £700.



We held 3 very successful open days at Hugs rescue centre this year, which raised a total of £6,500 for the charity.

We had a fantastic supporter and service user's parent create and sing an autism awareness song, which was then promoted through the NHS and raised awareness for Hugs. This got some great coverage with the media, including TV appearances.



We have continued to work collaboratively with the National Equine Welfare Council (NEWC) and the Federation of Horses in Education and Therapy International (HETI) UK. We are proud members of the Equine Assisted Services Partnership CiC and are on the Human Equine Interaction Register (HEIR) to ensure we provide the best services possible to both humans and equines. We have attended meetings throughout the year with the above organisations and the South West Equine Assisted Practitioners Regional Meetings. We have also collaborated with another charity, CHAOS Farm, to create the Cornwall Equine Assisted Practitioners Community to encourage everyone in Cornwall working in equine assisted services to come together, build relationships and a supportive network and encourage best practice.

The fundraising strategy was purposely created to be flexible alongside the current financial climate and with the current cost of living crisis.

We are incredibly grateful to the fantastic businesses that continue to support us with donations including; Carbonxgen, Proper Cornish, Pets at Home and Aspects Holidays.

Our income streams have diversified over the last few years and those streams are now growing. Our Crowdfunder this year raised just over £16,000 and we have had our first discretionary legacy – an income stream we will be working on growing in the next charity year. This legacy enabled the charity to proactively expand its rescue activities to include more donkeys and include them in the well-being provision, as well as additional horses and ponies, which lack of funding had previously made impossible. It has also helped to create the all-weather turnout area for the donkeys and other equines in need.

In our first year of raising funds through trusts and grants (August 2019 to 31st May 2020), we received £53,750. This charity year we have raised just over £190,000, which is an incredible achievement, given the financial climate for charities with many funders

		<p>success rates now being significantly lower, due to increased demand.</p> <p>Funders have included; The National Lottery Community Fund (People's Projects Awards), Garfield Weston Foundation, multiple funders through the Cornwall Community Foundation, Pets at Home Foundation, Jean Sainsbury Animal Welfare Trust, Animal Rescue Foundation, Animal Friends, Network for Animals, Ruth Smart Foundation, The Anton Jurgens Charitable Trust, The Hedley Foundation and Cornwall VSF Training Fund.</p> <p>Regular donors have increased from 16 monthly donors donating £2,400 every year in 2019 to over 150 donating more than £16,500 every year for Hugs. 'Sponsor a Rescue' gifts for resident animals has continued to be popular totalling over £1,100 for the year.</p> <p>We have also had some fantastic fundraisers onboard with some splendid fundraising activities ideas including; a 24 hour karatethon, a sponsored bike ride, quiz and raffle nights, dog shows, horse shows, shop collections, folk club evenings and birthday fundraisers.</p> <p>We have continued to work with professionals, to ensure we are doing the best we can to support and keep our charity's donors, supporters, service users and animals safe including; a Health & Safety consultant, a GDPR consultant and a Safeguarding consultant.</p> <p>We have continued to provide 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 that we are doing our part to care for everyone's mental health and well-being, aligned with our values.</p> <p>Future Plans</p> <p>A future plan has been established as follows:</p> <ul style="list-style-type: none"> • Continue to adapt, implement and develop our fundraising strategy, ensuring we can adjust where needed when the unexpected comes along and work towards becoming self-sustainable to ensure the Charity's future. This includes working on a new legacy programme. We now have a part time Fundraising & Marketing Assistant and Finance Officer to grow our income further. • Increase capacity for on-site well-being support to meet demand through our new Supported Volunteering progression route. • Continue to train staff and liaise with other professionals in the sector to ensure the referrals
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		<p>being received are getting the best support they can, and we have the best safeguarding etc to keep services users and the charity safe.</p> <ul style="list-style-type: none"> • Continue to be active members of HETI, NEWC, the Equine Assisted Services Partnership CiC, the South West Equine Assisted Practitioners Regional meetings and the Cornwall Equine Assisted Practitioners Community. • Continue to monitor moorland welfare and work closely with other charities and organisations to improve equine welfare in the UK. • Develop our offer of well-being support to reach out to other demographics including veterans, military personnel and first responders. Include a qualified therapist as an additional staff member to support this project, subject to funding. • Continue to develop our volunteer programmes and services for corporate groups including team building activities. This will raise awareness for the charity, build corporate relationships and aim to increase fundraising opportunities. • Continue to develop our staff through training and education appropriate to their sector. • Create additional track systems for our equine rescues to keep them out of the mud in winter and support those with medical conditions who need restricted grazing. • Start to research quotes to improve our isolation facilities. • Start to research quotes to improve our well-being facilities to include a reception area and additional area for learning inside in winter weather. • Launch a legacy programme and marketing campaign using the discretionary legacy received to create content around how legacies help the charity.
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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	

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 growth of the charity, our expenditure has increased again this year, and our income has grown to reflect this.</p> <p>During the year receipts of £512,954 were received from donations, trust and grants, sponsorships, legacies, rehoming fees and service charges. Of this, £121,268 was received from a corporate sponsorship partner that provided donations to set up and establish the charity through support with staffing and running costs. A flexible and phased plan is in place for this and a steady decrease over the following years as the diversified income streams grow, enabling the charity to become self-sustainable.</p> <p>Over £190,000 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 over 150 donating more than £16,500 in this charity year. Our second Crowdfunder raised over £16,000, we received our first discretionary legacy of an incredible £100,000 and we are submitting monthly Gift Aid claims totalling over £7,500 this charity year.</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 was not possible. In addition to this, the coronavirus pandemic and the cost of living crisis, made it financially impossible to build or retain any reserve funding. The Hugs Foundation</p>

		<p>also believes that monies received should be spent in accordance with the charity mission and not held long term in a bank account. However, the charity recognises that 3-6 months running costs in reserves is a goal that must be achieved to keep the charity and its service users safe.</p> <p>In this charity year, we received a discretionary legacy of £100,000. This has enabled our cash reserves to build up. 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 2024 were £239,083, split as unrestricted funds of £153,684 and restricted funds of £85,399. £115,722 of the unrestricted funds balance is held as cash.
Reasons for holding zero reserves	Para 1.22	N/A.
Details of fund materially in deficit	Para 1.24	N/A.
Explanation of any uncertainties about the charity continuing as a going concern	Para 1.23	<p>The cost of living crisis has had a negative impact on funding available for charities, due to the increase in demand. However, the charity has a flexible and diverse fundraising plan in place, including diversifying funding streams over the last few years e.g. monthly donations, which has increased again this year, and receiving its first legacy income. Demand for equine (horses, ponies and donkeys) rescues and rehoming is continuing to rise, with more owners unable to care for their animals due to the cost of living, and well-being service referrals continue to be fully booked with no marketing needed. This demand for the charity's services and the success in diversifying income streams, sees the outlook for The Hugs Foundation as optimistic for its future aim of being there for the community for years to come and becoming sustainable financially.</p>

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>The charity's principal sources of funds are the trust and grant fundraising and the main corporate partner. To ensure the charity's survival and sustainability long term, a phased reduction has started from the main corporate sponsor. Additional funding streams have been established and are steadily growing and include:</p> <ul style="list-style-type: none"> • Individual giving, both one off donations and regular monthly donations • Memberships (Sponsor a Rescue or Stable) • Service charges • Animal rescue rehoming fees • Livery • Tack sale donations • Sandschool hire • Crowdfunding • Legacies • Merchandise • Corporate partnerships/sponsorships and donations <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>
Investment policy and objectives including any social investment policy adopted	Para 1.46	N/A
A description of the principal risks facing the charity	Para 1.46	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 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?	Para 1.25	Charitable Incorporated Organisation

(e.g. unincorporated association, CIO)		
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		Resigned on 20 th February 2024.	
5	Rachel Pocknell		Resigned on 11 th October 2023.	
6	Natalie Wilkerson		Appointed on 30 th November 2023.	
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

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
Safeguarding	Safe4Schools Ltd – Mark Bowles	58-60 Wetmore Road, Burton, DE14 1SN
Health & Safety	Safety First (Cornwall) – Daniel Hunt	Advent House, Station Approach, Saint Austell PL26 8LG
GDPR	Boo Consulting Limited	Unit 1a Safir House, Stret Caradoc, Newquay, Cornwall TR7 1GE

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

--


Other optional information

--

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 (e.g. Secretary, Chair, etc)	Chair	
Date	14/08/2024	



CHARITY COMMISSION
FOR ENGLAND AND WALES

Charity Name	The Hugs Foundation		1175633	
Annual accounts for the period				
Period start date	1 June 2023	To	31 May 2024	

Section A Statement of financial activities

Recommended categories by activity	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Incoming resources (Note 3)				
Income and endowments from:				
Donations and legacies	285,485	-	285,485	175,625
Charitable activities	18,261	207,459	225,720	151,657
Other trading activities	1,750	-	1,750	1,970
Total	305,495	207,459	512,954	329,252
Resources expended (Note 5)				
Expenditure on:				
Raising funds	28,039	-	28,039	29,511
Charitable activities	157,061	173,832	330,893	305,194
Total	185,100	173,832	358,933	334,705
Net income/(expenditure) before transfers	120,396	33,627	154,023	- 5,453
Transfers	-	-	-	
Net income/(expenditure)	120,396	33,627	154,023	- 5,453
Reconciliation of funds:				
Total funds brought forward	33,288	51,771	85,059	90,512
Total funds carried forward	153,684	85,399	239,083	85,059

Section B

Balance sheet

	Unrestricted funds £	Restricted income funds £	Total this year £	Total last year £
Fixed assets				
Tangible assets (Note 9)	41,066	-	41,066	30,926
Total fixed assets	41,066	-	41,066	30,926
Current assets				
Debtors (Note 10)	8,800	-	8,800	6,637
Cash at bank and in hand (Note 12)	115,722	85,399	201,121	59,557
Total current assets	124,522	85,399	209,921	66,194
Creditors: amounts falling due within one year (Note 11)	11,904	-	11,904	12,065
Net current assets/(liabilities)	112,618	85,399	198,017	54,129
Total net assets or liabilities	153,689	85,399	239,083	85,055
Funds of the Charity				
Restricted income funds (Note 14)		85,399	85,399	51,771
Unrestricted funds	153,684		153,684	33,288
Total funds	153,684	85,399	239,083	85,059

Note 1 Basis of preparation

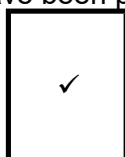
This section should be completed by all charities .

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:

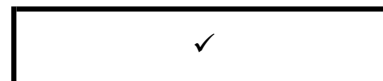
- and with*



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 cost of living crisis has had a negative impact on funding available for charities, due to the increase in demand. However, the charity has a flexible and diverse fundraising plan in place, including diversifying funding streams over the last few years e.g. monthly donations, which has increased again this year, and receiving it's first legacy income. Demand for equine (horses, ponies and donkeys) rescues and rehoming is continuing to rise, with more owners unable to care for their animals due to the cost of living, and well-being service referrals continue to be fully booked with no marketing needed. This demand for the charity's services and the success in diversifying income streams, sees the outlook for The Hugs Foundation as optimistic for its future aim of being there for the community

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).

Section C		Notes to the accounts	(cont)		
Note 2		Accounting policies			
2.1 INCOME					
Recognition of income	These are included in the Statement of Financial Activities (SoFA) when:		Yes	No	N/a
	<ul style="list-style-type: none">the charity becomes entitled to the resources;it is more likely than not that the trustees will receive the resources; andthe monetary value can be measured with sufficient reliability.		✓	✓	✓
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
			✓	✓	✓
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
			✓	✓	✓
	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
			✓	✓	✓
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
			✓	✓	✓
Government grants	The charity has received government grants in the reporting period		Yes	No	N/a
			✓	✓	✓
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
			✓	✓	✓
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
			✓	✓	✓
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
			✓	✓	✓
	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
			✓	✓	✓
	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
			✓	✓	✓
	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
			✓	✓	✓
	Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.		Yes	No	N/a
			✓	✓	✓
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
			✓	✓	✓
	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
			✓	✓	✓
Support costs	The charity has incurred expenditure on support costs.		Yes	No	N/a
			✓	✓	✓
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
			✓	✓	✓
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
			✓	✓	✓
Income from membership subscriptions	Membership subscriptions received in the nature of a gift are recognised in Donations and Legacies.		Yes	No	N/a
			✓	✓	✓
	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
			✓	✓	✓
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
			✓	✓	✓
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
			✓	✓	✓

2.2 EXPENDITURE AND LIABILITIES

Liabilities are recognised where it is more likely than not that there is a legal or

Yes No N/a

Section C		Notes to the accounts	(cont)						
Note 2		Accounting policies							
Liability recognition		constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
Redundancy cost		The charity made no redundancy payments during the reporting period.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
Deferred income		No material item of deferred income has been included in the accounts.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
Creditors		The charity has creditors which are measured at settlement amounts less any trade discounts	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
		They are valued at cost.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
		They are valued at cost.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
		Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
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.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							
		They are valued at fair value except where they qualify as basic financial instruments.	<table><tr><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yes</td><td>No</td><td>N/a</td></tr></table>	✓	✓	✓	Yes	No	N/a
✓	✓	✓							
Yes	No	N/a							

Note 3

Analysis of income

		Unrestricted funds	Restricted income funds	Total funds £	Prior year £
	Analysis				
Donations and legacies:	Donations	183,612	-	183,612	174,096
	Legacies	100,000	-	100,000	-
	General grants provided by government/other charities	-	-	-	-
	Membership subscriptions and sponsorships	1,872	-	1,872	1,529
	Total	285,485	-	285,485	175,625
Charitable activities:	Grants	-	190,814	190,814	130,389
	Crowd Funding		16,645	16,645	-
	Rehoming	8,410	-	8,410	8,740
	Mental Health	8,926	-	8,926	12,318
	Other	925	-	925	210
	Total	18,261	207,459	225,720	151,657
Other trading activities:	Hire income	1,750	-	1,750	1,970
	Total	1,750	-	1,750	1,970
TOTAL INCOME		305,495	207,459	512,954	329,252

Note 4

Analysis of receipts of government grants

	Description	This year £	Prior year £
Government grant	HMRC Job Retention Scheme	-	-
	Total	-	-

Note 5

Analysis of expenditure

This year

Last year

Restricted

Analysis	Unrestricted funds	Restricted income funds	Total funds	Unrestricted funds	Restricted income funds	Total funds
			£			£
Expenditure on raising funds:						
Staff Costs	23,822	-	23,822	26,314	-	26,314
Incurred seeking donations	-	-	-	-	-	-
Operating membership schemes and social lotteries	3,119	-	3,119	1,986	-	1,986
Advertising, marketing, direct mail and publicity	1,098	-	1,098	1,212	-	1,212
Total expenditure on raising funds	28,039	-	28,039	29,511	-	29,511

Expenditure on charitable activities:

Staff Costs	101,188	79,432	180,620	94,391	45,602	139,993
Recruitment Costs	-	-	-	-	-	-
Veterinary and Medical Costs	14,559	18,446	33,005	25,300	17,166	42,466
Feed	3,683	2,532	6,215	3,314	7,331	10,645
Yard Expenditure	- 13,167	20,034	6,867	4	6,893	6,897
Equine Care	1,514	3,558	5,072	2,028	3,256	5,284
Training	2,561	5,403	7,964	1,548	-	1,548
Repairs and Renewals	- 8,005	10,329	2,324	6,009	973	6,982
Insurance	5,199	3,574	8,773	4,459	2,052	6,511
Professional Fees	6,477	2,560	9,037	11,216	4,433	15,649
Bank and Payment Charges	866	-	866	663	-	663
Computers and Internet	8,406	-	8,406	10,121	-	10,121
Utilities and Rates	18,261	13,277	31,538	27,577	9,631	37,208
Transport and Travel	9,792	998	10,790	5,831	595	6,426
Office Supplies	- 3,673	6,444	2,771	1,434	927	2,361
Depreciation	8,855	-	8,855	7,933	-	7,933
Programme Costs	- 861	6,846	5,985	35	2,050	2,085
Sundries	1,405	400	1,805	1,731	694	2,425
Total expenditure on charitable activities	157,061	173,832	330,894	203,593	101,601	305,195
TOTAL EXPENDITURE	185,100	173,832	358,933	233,105	101,601	334,706

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 £
780	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 £
190,927	146,152
9,037	7,927
4,478	4,353
204,442	158,432

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 £
98,362	95,227

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
2	1
8	6
10	7

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 £
4,478	4,353

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	-	-	18,996	18,996
Disposals	-	-		-
At end of the year	1,104	563	78,181	79,848

9.2 Depreciation and impairments

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

At beginning of the year	907	429	28,589	29,925
Disposals	-	-		-
Depreciation	49	33	8,773	8,855
At end of the year	956	462	37,362	38,780

9.3 Net book value

Net book value at the beginning of the year	197	134	30,596	30,927
Net book value at the end of the year	148	101	40,819	41,066

Note 10 Debtors and prepayments

Please complete this note if the charity has any debtors or prepayments.

10.1 Analysis of debtors

Trade debtors

Prepayments and accrued income

Taxation and social security

Total

This year	Last year
£	£
1,129	3,336
7,672	3,301
-	-
8,800	6,637

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
£	£	£	£
6,736	4,607	-	-
3,099	5,084	-	-
2,069	2,163	-	-
-	211	-	-
11,905	12,066	-	-

Note 12 Cash at bank and in hand

Cash at bank and on hand

Total

This year	Last year
£	£
201,121	59,557
201,121	59,557

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.

	This year	Last year
Please provide details of the nature of the event	N/A	N/A
Provide an estimate of the financial effect of the event or a statement that such an estimate cannot be made	N/A	N/A

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 - 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 2023 £	Income £	Expenditure £	Transfers £	Fund balances at 31 May 2024 £
Animal friends	R	Costs of care for animal rescues.		5,000	- 5,000	-	-
Animal Rescue Foundation	R	Intake costs of rescuing equines.		4,000		-	4,000
CCF Carew Pole	R	Project costs of care home well-being outreach project.		1,000		-	1,000
CCF Brighter Future	R	Youth well-being project funding.		9,090			9,090
CCF Karenza Fund	R	Youth well-being project funding.		5,000		-	5,000
CCF VCSE Health Improvement	R	Project costs of supported volunteering project.		14,000		-	14,000
CCF Sedel Collings	R	Youth well-being project funding.		14,588	- 10,941		3,647
Clare Milne	R	Youth well-being project funding.		14,464			14,464
Cornwall VSF	R	Staff training (x3) - Equine Assisted Services Level 3 Diploma.		1,950	- 1,950		-
Garfield Weston Foundation	R	Youth well-being project funding.		15,000	- 5,532		9,468
Jean Sainsbury Animal Welfare Trust	R	Vets bills and feed.		6,500			6,500
Headley Foundation	R	Project costs of care home well-being outreach project.		3,000	- 2,667		333
National Lottery	R	Youth well-being project costs.		59,844	- 55,118		4,726
Network for Animals	R	Rescue pony Barney's rehabilitation.		2,000	- 1,948		52
Network for Animals - 2	R	Intake costs of rescuing 3 x donkeys.		1,500	- 1,147		353
Petplan	R	Animal welfare/intake costs.		7,000			7,000
Pets Foundation	R	Mudcontrol Slabs for all-weather turnout area.		18,895	- 18,895		-
Ruth Smart Foundation	R	Animal welfare/intake costs.		2,000	- 2,000		-
St James Place Charitable	R	Sensory garden equipment.		4,233	- 4,233		-
Woodroffe Benton Foundation	R	Project costs of care home well-being outreach project.		1,750			1,750
Crowdfunder	R	October foal herd rescue and care costs.		16,645	- 12,629		4,016
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	6,250		- 6,250		-
Jean Sainsbury Animal Welfare Trust	R	Towards animal care costs including salaries	3,558		- 3,558		-
Coral Samuel Charitable Trust	R	Arena refurbishment.	-		-		-
Postcode Local Trust	R	Youth project funding	8,750		- 8,750		-
Animal Friends / Jean Sainsbury Animal Welfare Trust / Sylvia Waddilove Emergency Funding	R	Towards animal care costs including salaries	-		-		-
Animal Rescue Foundation	R	Intake of 4 - 7 rescues	1,996		- 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	9,124		- 9,124		-
National Lottery Awards for all	R	Youth well-being project funding	1,222		- 1,222		-
Sensory Garden	R	Sensory garden refurbishment	2,400		- 2,400		-
The Anton Jurgens Charitable Trust	R	Care home well-being project funding	3,662		- 3,662		-
Unrestricted Funds	UR	N/A	33,288	305,495	- 185,100	-	153,684
Total Funds			85,059	512,954	- 358,931	-	239,083

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 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Fund balances at 31 May 2023 £</i>
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 Jun	-	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	-	85,059

Section C**Notes to the accounts****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

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

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

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. Carbon also kindly donated fund towards the staff Christmas party and staff training during the year	£ 121,268	£ 120,000



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 2024

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: 30/11/2024

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

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.

N/A