
HEART CHILDREN IRELAND
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

HEART CHILDREN IRELAND
(A company limited by guarantee)

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HEART CHILDREN IRELAND
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 MAY 2021**

Directors	Eamonn McQuaid Lesley Osborne Bernard Raftery Eileen Carruthers, Chair Michael Foley Michael Teehan John McGuckian (appointed 20 August 2020) Laura Heffernan (appointed 22 March 2021)
Company registered number	371707
Charity registered number	CHY 10022, CRA 20025274
Registered office	The Carmichael Centre North Brunswick Street Dublin 7
Company secretary	Eamonn McQuaid
Chief executive officer	Sheila Campbell
Independent auditors	Woods and Partners Limited Chartered Accountants and Registered Auditor 2 Dublin Landings North Wall Quay Dublin 1
Bankers	AIB 41 South Main Street Naas Co. Kildare
Solicitors	Matheson 70 Sir John Rogerson's Quay Dublin 2

HEART CHILDREN IRELAND
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MAY 2021

The chairperson presents her statement for the year.

Heart Children experienced a challenging year in the period June 2020 to May 2021. The Covid-19 pandemic continued to play havoc with the charity's ability, both to provide its services to members, and to generate the necessary fundraising income from its annual calendar of events.

Our psychology support service which had been in-person, was provided either online or via phone or zoom and experienced a significant increase in demand over the period. With so much uncertainty around hospital access, infection rates and a general air of uncertainty about the future, many members have concerns and fears over and beyond the norm.

Our regular coffee mornings in CHI Crumlin and other events such as our summer picnic, annual bereavement service in the Unitarian Church and Christmas party were unable to take place because of COVID restrictions.

However, the charity received support through both the government EWSS scheme and the Pobal Stability Scheme and as a result, annual income for the year was €417,448, as compared with €254,668 at Y/E in May 2020.

A further boost to income in the year was a donation to the Blue Ribbon Fund (for families on the transplant journey) from the Byrne Family Fund. The family of four-year old Milly from Monaghan launched a hugely successful fundraising appeal in the name of the BR Fund while Milly was in the UK for the transplant operation. One of the events organised was a local 5k mini marathon loop which raised €138,000 for the fund.

In addition, our advocacy work as Chair of the All-Island CHD Network's Family Engagement Group and members of the Network of Childhood Illnesses Association was also placed on hold.

Heart Children continued to provide respite funding to parents of children in hospital experiencing financial difficulty and to fund CoaguChek devices to children and adults on warfarin medication.

We remained in contact with members through email and social media but our offices were closed for the year because of COVID and staff worked from home as directed by government.

We welcome our newly appointed auditors, Woods and Partners Limited, Chartered Accountants and Registered Auditor, to prepare our 2020-21 annual accounts.

Chairperson

Date:

HEART CHILDREN IRELAND
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2021

The Directors present their annual report together with the audited financial statements of the Charity for the year 1 June 2020 to 31 May 2021. The Annual report serves the purposes of both a Directors' report and a directors' report under company law. The Directors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

Heart Children is the national charity which supports people born with Congenital Heart Disease (CHD) and their families throughout their lifetime. All of our services are provided to our members free of charge.

Our mission is to support people of all ages with CHD and their families, to live confidently, stay well and enjoy life to its fullest.

The main objective of Heart Children Ireland as set out in its Constitution is to provide support, practical help and financial assistance and /or the provision of equipment within Ireland to:

- Children, adolescents and adults with congenital heart disease.
- Parents/guardians of children/adolescents/adults with congenital heart disease.
- Family members of children born with congenital heart disease.
- Children and the families of children who develop heart disease (e.g. cardiomyopathy).
- Hospitals whose functions include the provision of medical assistance to persons with congenital heart disease and to persons who develop heart disease.
- Bereaved families of children who have died from congenital heart disease.
- Member support groups in regional locations countrywide.

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Heart Children does not receive annual government funding* and relies on its fundraising initiatives and on the generosity of its members and supporters to generate the charities income.

** Heart Children received exceptional grant funding in this financial year through the EWSS and Government Stability Schemes.*

HEART CHILDREN IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

In the financial year June 20 – May 21, our service provision was severely limited as a result of the Covid pandemic. However, our Psychology Support Service pivoted to provide support to members online via Zoom / phone and experienced a surge in demand. We continued to support parents with financial assistance through general respite grants and the Blue Ribbon Fund (for those on the transplant journey).

Our social events, including the annual bereavement service and monthly coffee mornings in CHI Crumlin were placed on hold.

d. Main activities undertaken to further the Charity's purposes for the public benefit

- CHD Awareness week in February to support advocacy and general public awareness of CHD;
- Sales of our Heart Children calendar which features images of 60 children with CHD and is sponsored by Chill Insurance.

Achievements and performance

a. Main achievements of the Charity

Since the organisation's establishment in 2003, Heart Children has donated over €3 million to the Children's Heart Centre in Crumlin to fund staff roles and the purchase of equipment used to improve the medical care of people with CHD.

Our Coaguchek programme provides self-testing medical devices to people with CHD on warfarin medication. These allow them to check their INR readings from home without the need to travel to hospital for testing which reduces the disruption to home, school, college and work life.

All paediatric heart transplant operations are carried out in the UK. Heart Children provides financial assistance through its Blue Ribbon Fund to cover transport and other support costs related to enabling families to remain in the UK while their child undergoes transplant.

Our busiest and most on-demand service is in providing psychological support to people with CHD and to their parents and siblings.

Financial review

a. Going concern

The Directors have prepared projections for 12 months from the date of approval of the financial statements. Based on projections, and expected grant income secured, the board of Directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

HEART CHILDREN IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021

b. 2021 performance

Total income at €417,448 reflects an increase of €160,435 compared to the previous year. This increase was largely due to government funding received through the EWSS Scheme and the Government Stability Scheme (totaling €138,022) and a once off large donation to the Blue Ribbon Fund of €138,730. Therefore our actual fundraising income for the year was €108,263 a 47% reduction on income from the previous year – a direct impact resulting from the Covid pandemic. Current net assets have increased to €367,472 (up from €207,307 in 2020) and cash held at year end increased to €380,734 (2020: €217,605).

c. Reserves policy

Heart Children holds reserves of €64,329 as a contingency to cover six month operating costs to maintain the work of the Charity.

As at the year end, our restricted fund balance was €241,513 (2020: €139,313) with the unrestricted fund balance at €125,472 (2020: €67,724).

d. Principal risks and uncertainties

The CEO in conjunction with the Board Directors conducts a review of the major risks to which the Charity is exposed. A risk register is maintained and is examined on a regular basis. The main risks are analysed under the following headings:

Covid-19 – The pandemic has caused widespread disruption and restriction of our business and has had a negative impact on fundraising activities. Notwithstanding this, the Directors are satisfied that the Charity has overcome the impacts of Covid-19 and shall continue to implement strategies to mitigate its impact.

Governance risks including maintenance of updated policies and procedures and appropriate levels of board engagement to ensure that Heart Children delivers effectively on its governance priorities.

Operational risks that typically include dependence on a small number of key staff and contractors.

Regulatory risks that require us to understand and comply with the evolving regulatory environment and ensure that we fully comply with all our legal and reporting requirements.

Financial risks that require continued focus on the need to effectively generate income, manage our costs and maintain adequate levels of reserves to ensure that we maximise charitable donations for the benefit of our members.

Reputational risks that require the highest standards of integrity and transparency to maintain the support and trust of our members and supporters.

Structure, governance and management

a. Constitution

Heart Children Ireland is registered as a charitable company limited by guarantee and was set up by a Trust deed.

HEART CHILDREN IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021

Structure, governance and management (continued)

b. Methods of appointment or election of Directors

The management of the Charity is the responsibility of the Directors who are elected and co-opted under the terms of the Trust deed. Heart Children's Constitution determines that the maximum term of office for a Director/Trustee is six years. Recruitment of Trustees to the Board is from the membership of the organisation and via Boardmatch and all new Trustees are required to make a formal application to the Board for their approval.

c. Volunteer activity

Heart Children requests volunteer support for its activities on an ad hoc basis as demand requires. However, as a result of the Covid pandemic, there was no requirement for volunteer support in this period.

Statement of Directors' responsibilities

The Directors (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and Accounting Standards (Financial Reporting Standard 102).

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

HEART CHILDREN IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021

Auditor

The auditor, Woods and Partners Limited, Chartered Accountants and Registered Auditor, were appointed auditor on 08 December 2021 have indicated their willingness to continue in office. The designated Directors will propose a motion reappointing the auditors at a meeting of the Directors.

Approved by order of the members of the Board of Directors and signed on their behalf by:

Eamonn McQuaid
Director

Eileen Carruthers
Director

HEART CHILDREN IRELAND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEART CHILDREN IRELAND

Opinion

We have audited the financial statements of Heart Children Ireland (the 'charitable company') for the year ended 31 May 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting and Reporting standards applicable to Charities the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with Charities SORP Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), the provisions available for small entities in the circumstances set out in note 2 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

HEART CHILDREN IRELAND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEART CHILDREN IRELAND (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors report is consistent with the financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion, the accounting records of Heart Children Ireland were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of Heart Children Ireland and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

HEART CHILDREN IRELAND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEART CHILDREN IRELAND (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)).

This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conor Woods
for and on behalf of
Woods and Partners Limited
Chartered Accountants and Registered Auditor
2 Dublin Landings
North Wall Quay
Dublin 1

Date:

HEART CHILDREN IRELAND
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021**

	Note	Restricted funds 2021 €	Unrestricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Income from:					
Corporate and grant funding	4	32,433	138,022	170,455	22,979
Fundraising events	5	151,106	94,836	245,942	229,481
Investments	6	-	4	4	8
Other income	7	-	1,047	1,047	2,200
Total income		183,539	233,909	417,448	254,668
Expenditure on:					
Support costs	8	76,642	180,371	257,013	244,219
Total expenditure		76,642	180,371	257,013	244,219
Net movement in funds		106,897	53,538	160,435	10,449
Reconciliation of funds:					
Total funds brought forward		139,313	67,724	207,037	196,588
Net movement in funds		106,897	53,538	160,435	10,449
Total funds carried forward		246,210	121,262	367,472	207,037

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 25 form part of these financial statements.

HEART CHILDREN IRELAND
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REGISTERED NUMBER: 371707

BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 €	2020 €
Current assets			
Debtors	12	2,815	1,980
Cash at bank and in hand		380,734	217,605
		<u>383,549</u>	<u>219,585</u>
Creditors: amounts falling due within one year	13	(16,077)	(12,548)
Net current assets		<u>367,472</u>	<u>207,037</u>
Total assets less current liabilities		<u>367,472</u>	<u>207,037</u>
Total net assets		<u><u>367,472</u></u>	<u><u>207,037</u></u>
Charity funds			
Restricted funds	14	241,513	139,313
Unrestricted funds	14	125,959	67,724
Total funds		<u><u>367,472</u></u>	<u><u>207,037</u></u>

The Charity's financial statements have been prepared in accordance with the Charities SORP Financial Reporting Standards 102; the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements were approved and authorised for issue by the Directors on 15 June 2022 and signed on their behalf, by:

Eamonn McQuaid
 Director

Eileen Carruthers
 Director

The notes on pages 14 to 25 form part of these financial statements.

HEART CHILDREN IRELAND
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021

	2021 €	2020 €
Cash flows from operating activities		
Net cash used in operating activities	163,129	(3,043)
	<hr/>	<hr/>
Cash flows from investing activities		
	<hr/>	<hr/>
Net cash provided by investing activities	-	-
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	163,129	(3,043)
Cash and cash equivalents at the beginning of the year	217,605	220,648
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	380,734	217,605
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 25 form part of these financial statements

HEART CHILDREN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

Heart Children Ireland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been presented in Euro (€) which is the functional currency of the Charity.

1.2 Going concern

Heart Children Ireland derives its principal funding from donations, fundraising events and grants. In the absence of this, Heart Children Ireland may not be able to continue as a going concern. The Directors are confident that they shall continue to generate funds which will allow Heart Children Ireland to continue to provide its services into the foreseeable future, and in this regard, have prepared the financial statements on the going concern basis.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Government grants

Grant income is recognised in accordance with the performance conditions pertaining to the individual grant. Grants are credited to the Statement of financial activities as the related expenditure is incurred if specific conditions are imposed in relation to the spend. Where there are no performance conditions in respect of a grant, it is recognised upon receipt.

The Employment Wage Subsidy Scheme (EWSS) is classified as a government grant. Amounts receivable under this scheme are recognised as other income in the period in which the relevant payroll is processed.

HEART CHILDREN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by Heart Children Ireland; this is normally upon notification of the interest paid or payable by the bank.

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

HEART CHILDREN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

1.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

HEART CHILDREN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

1. Accounting policies (continued)

2. Critical accounting estimates and areas of judgment

In the application of Heart Children Ireland's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgments

The directors are of the view that there are no judgments (apart from those involving estimates) in applying their accounting policies that have had a significant effect on amounts recognised in the financial statements.

3. Provisions available for audits of small entities

In common with many other charities of our size, we use our auditors to assist with the preparation of the financial statements

HEART CHILDREN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

4. Income from donations and legacies

	Restricted funds 2021 €	Unrestricted funds 2021 €	Total funds 2021 €	<i>Total funds 2020 €</i>
Donations	-	35,822	35,822	22,979
Corporation and grant funding	-	16,000	16,000	-
EWSS	32,433	-	32,433	-
Covid Stability Fund	-	86,200	86,200	-
Total 2021	32,433	138,022	170,455	22,979
<i>Total 2020</i>	<i>-</i>	<i>22,979</i>	<i>22,979</i>	

5. Income from other trading activities

Income from fundraising events

	Restricted funds 2021 €	Unrestricted funds 2021 €	Total funds 2021 €	<i>Total funds 2020 €</i>
Mini-Marathon	138,730	-	138,730	229,481
Windmills	-	1,147	1,147	-
Oct Marathon	-	3,894	3,894	-
Fundraising - other	12,376	41,080	53,456	-
Christmas cards	-	943	943	-
Christmas calendar	-	47,172	47,172	-
T-Shirts	-	600	600	-
Total 2021	151,106	94,836	245,942	229,481
<i>Total 2020</i>	<i>59,750</i>	<i>169,731</i>	<i>229,481</i>	

HEART CHILDREN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

6. Investment income

	Unrestricted funds 2021 €	Total funds 2021 €	<i>Total funds 2020 €</i>
Bank interest received	4	4	8
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	8	8	
	<hr/> <hr/>	<hr/> <hr/>	

7. Other incoming resources

	Unrestricted funds 2021 €	Total funds 2021 €	<i>Total funds 2020 €</i>
Miscellaneous income	1,047	1,047	2,200
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	2,200	2,200	
	<hr/> <hr/>	<hr/> <hr/>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 €	Unrestricted funds 2021 €	Total funds 2021 €	<i>Total funds 2020 €</i>
Wages and salaries	-	58,583	58,583	58,865
Business expenditure	-	6,110	6,110	21,619
Staff training	-	9,216	9,216	60
Office costs	-	8,097	8,097	8,543
IT & communications	-	5,430	5,430	8,488
Printing, stationary and postage	-	10,703	10,703	6,214
Professional fees	529	8,381	8,910	5,165
Family supports	76,113	73,851	149,964	132,250
Seminars / conferences	-	-	-	1,251
Miscellaneous	-	-	-	870
Membership	-	-	-	894
Total 2021	<u>76,642</u>	<u>180,371</u>	<u>257,013</u>	<u>244,219</u>
<i>Total 2020</i>	<u>-</u>	<u>244,219</u>	<u>244,219</u>	

9. Auditors' remuneration

	2021 €	<i>2020 €</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	-	3,890

10. Staff costs

	2021 €	<i>2020 €</i>
Wages and salaries	58,332	53,505
Social security costs	251	5,360
	<u>58,583</u>	<u>58,865</u>

HEART CHILDREN IRELAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

10. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2021	2020
	No.	No.
Administration	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than €60,000 in either year.

The total remuneration, comprising salary and employer pension contributions, paid in respect of key management personnel amounted to €45,960 (2020: €45,960).

11. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2020 - €NIL).

During the year ended 31 May 2021, no Director expenses have been incurred (2020 - €NIL).

12. Debtors

	2021	2020
	€	€
Due within one year		
Prepayments	<u>2,815</u>	<u>1,980</u>

13. Creditors: Amounts falling due within one year

	2021	2020
	€	€
Trade creditors	10,021	8,191
Taxation and social security	1,179	854
Other creditors	865	3
Accruals	4,012	3,500
	<u>16,077</u>	<u>12,548</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

14. Statement of funds

Statement of funds - current year

	Balance at 1 June 2020 €	Income €	Expenditure €	Balance at 31 May 2021 €
Unrestricted funds				
General Funds - all funds	67,724	282,815	(224,580)	125,959
Restricted funds				
Restricted Funds - all funds	139,313	102,200	-	241,513
Total of funds	207,037	385,015	(224,580)	367,472

Deferred Covidien funds of €15,000 are included in restricted funds reserve at the reporting date.

Statement of funds - prior year

	<i>Balance at 1 June 2019 €</i>	<i>Income €</i>	<i>Expenditure €</i>	<i>Transfers in/out €</i>	<i>Balance at 31 May 2020 €</i>
Unrestricted funds					
General Funds - all funds	138,462	194,918	(205,505)	(60,151)	67,724
Restricted funds					
Restricted Funds - all funds	58,126	59,750	(38,714)	60,151	139,313
Total of funds	196,588	254,668	(244,219)	-	207,037

HEART CHILDREN IRELAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

15. Summary of funds

Summary of funds - current year

	Balance at 1 June 2020 €	Income €	Expenditure €	Balance at 31 May 2021 €
General funds	67,724	282,815	(224,580)	125,959
Restricted funds	139,313	102,200	-	241,513
	<u>207,037</u>	<u>385,015</u>	<u>(224,580)</u>	<u>367,472</u>

Summary of funds - prior year

	Balance at 1 June 2019 €	Income €	Expenditure €	Transfers in/out €	Balance at 31 May 2020 €
General funds	138,462	194,918	(205,505)	(60,151)	67,724
Restricted funds	58,126	59,750	(38,714)	60,151	139,313
	<u>196,588</u>	<u>254,668</u>	<u>(244,219)</u>	<u>-</u>	<u>207,037</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 €	Unrestricted funds 2021 €	Total funds 2021 €
Current assets	257,590	125,959	383,549
Creditors due within one year	(16,077)	-	(16,077)
Total	<u>241,513</u>	<u>125,959</u>	<u>367,472</u>

HEART CHILDREN IRELAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 €</i>	<i>Unrestricted funds 2020 €</i>	<i>Total funds 2020 €</i>
Current assets	151,861	67,724	219,585
Creditors due within one year	(12,548)	-	(12,548)
Total	<u>139,313</u>	<u>67,724</u>	<u>207,037</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 €	2020 €
Net income for the year (as per Statement of Financial Activities)	160,435	10,449
Adjustments for:		
Decrease/(increase) in debtors	(835)	7,161
Increase/(decrease) in creditors	3,529	(20,653)
Net cash provided by/(used in) operating activities	<u>163,129</u>	<u>(3,043)</u>

18. Analysis of cash and cash equivalents

	2021 €	2020 €
Cash in hand	380,734	217,605
Total cash and cash equivalents	<u>380,734</u>	<u>217,605</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

19. Analysis of changes in net debt

	At 1 June 2020	Cash flows	At 31 May 2021
	€	€	€
Cash at bank and in hand	217,605	163,129	380,734
	<u>217,605</u>	<u>163,129</u>	<u>380,734</u>

20. Grants income recognised in the year

	Total grant awarded	Recognised in 2021
	€	€
Covid Stability Fund	<u>86,200</u>	<u>86,200</u>

The Covid-19 Stability Fund for Community and Voluntary Organisations, Charities and Social Enterprises, was developed to provide support to qualifying organisations who found themselves in particular difficulty and saw their trading and / or fundraising income drop significantly during the Covid crisis. Heart Children was a recipient of this funding during this accounting period receiving a total of €86,200.

21. Related party transactions

The Charity has not entered into any related party transactions during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 December 2021.

22. Post balance sheet events

There have been no significant events affecting the Charity since the financial year-end.

23. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 15 June 2022.