

**Company Registration No. 375438 (Republic of Ireland)**

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# **HEARTH AND MIND (A COMPANY LIMITED BY GUARANTEE) CONTENTS**

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	<b>Page</b>
Directors' report	1 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 17

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**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
COMPANY INFORMATION**

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<b>Directors</b>	Dr. Declan Murray John Whelan Barbara Davis, Hon. Secretary Fr. Dan Joe O'Mahony Brendan Madden Janice Huet Frank Browne	(Appointed 29 May 2019)
<b>Secretary</b>	Barbara Davis, Hon. Secretary	
<b>Registered Charity Number</b>	20072179	
<b>Company number</b>	375438	
<b>CHY (Revenue) Number</b>	CHY 18684	
<b>Registered office</b>	Riversdale House, Ballyboden Road, Rathfarnham, Dublin 14 D14 W7D0	
<b>Auditor</b>	JPA Brenson Lawlor Argyle Square Morehampton Road Donnybrook Dublin 4 D04 W9W7	
<b>Bankers</b>	Bank of Ireland Smithfield, Dublin 7	

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**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and audited financial statements for the year ended 31 December 2019.

**Principal activities**

The principal activity of the company is as specified in our Memorandum of Association:

'The support of people with mental illness and/or their families and carers, who may be experiencing poverty, social exclusion and/or unemployment, through lack of social support, affordable and/or appropriate housing, by the relief of their housing needs-.

Our focus remains on the provision of homes to "one person households" with a mental health disability who have little chance of securing a roof over their heads - which we perceive as being the greatest need at present. Whilst that is our main focus it is not to the exclusion of families and we will move to satisfy that need if and when an opportunity presents itself. Unfortunately many of the growing number who are homeless on our streets also have a mental health disability.

It has been a broadly satisfactory year. The surplus, before depreciation, is again being retained to finance future developments and acquisitions and maintenance. Acquisition of the house, which has been the subject of repeated, vexatious and failed objections under the planning system, was finally completed in the last quarter. The 4 people in need who have been denied a home as a result should take up residence in early 2020.

We extend our deep gratitude to all our benefactors and volunteers for their commitment.

Our quest to provide high quality accommodation for our tenants to enhance their quality of life within communities with improved mental health outcomes will continue. A major upgrade is scheduled to commence at one property in the coming year.

We remain a 100% voluntary body so all income goes to benefit our clients.

Our volunteers have met the onerous tasks of regulatory reporting to comply with the requirements of several State bodies once again. But we will soon incur labour costs to maintain it.

**Fair review of the business**

The financial activities and the financial position at the year end are set out in the financial statements. The company is a charity registered with Charities Regulator - registered number 20072179 and the Revenue Commissioners, have granted charitable exemptions status under reference number CHY 18684.

**Principal risks and uncertainties**

The principal risk to the charity is the risk of its rental income being impacted by negative changes to the State welfare schemes upon which our clients rely and the consequent impact that this would have on the ability of the charity to provide its services.

Our properties are fully insured against all insurable perils with the exception of one house which does not enjoy cover against flood damage.

The directors are aware of the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems are in place to mitigate exposure to major risks.

**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Directors and secretary**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr. Declan Murray

John Whelan

Barbara Davis, Hon. Secretary

Fr. Dan Joe O'Mahony

Brendan Madden

Janice Huet

Frank Browne

(Appointed 29 May 2019)

**Results and dividends**

The results for the year are set out on page 8.

**Directors' and secretary's interests**

The company is limited by guarantee and does not have any share capital. Therefore the directors and secretary who served during the year did not have a beneficial interest in the company.

All directors serve in a voluntary capacity.

**Accounting records**

The company's directors are aware of their responsibilities, under sections 281 to 285 of the Companies Act 2014 as to whether in their opinion, the accounting records of the company are sufficient to permit the financial statements to be readily and properly audited and are discharging their responsibilities by employing qualified and/or experienced staff, ensuring that sufficient company resources are available for the task, liaising with the company's auditors seeking external professional accounting advice, providing a location of computer servers and arranging to guard against falsification of the records.

The accounting records are held at the company's registered office, Riversdale House, Ballyboden Road, Rathfarnham, Dublin 14, D14 W7D0.

**Post reporting date events**

There are no post reporting date events which would materially affect the financial statements.

**Auditor**

In accordance with the Companies Act 2014, section 383 (2), JPA Brenson Lawlor continue as auditors of the company

**Statement of disclosure to auditor**

Each of the directors in office at the date of approval of this annual report confirms that:

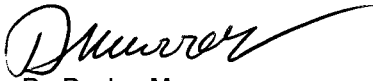
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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On behalf of the board



Dr. Declan Murray  
**Director**  
11 February 2020



John Whelan  
**Director**

**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally accepted Accounting Practice in Ireland) issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Dr. Declan Murray

**Director**

11 February 2020



John Whelan

**Director**

**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HEARTH AND MIND**

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**Opinion**

We have audited the financial statements of Hearth and Mind (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF HEARTH AND MIND**

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**Opinions 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
- 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 the company 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 the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

**Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's 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: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Section 391 Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**HEARTH AND MIND  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF HEARTH AND MIND**

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**Ian Lawlor  
for and on behalf of JPA Brenson Lawlor**

11 February 2020

**Chartered Accountants**

Argyle Square  
Morehampton Road  
Donnybrook  
Dublin 4  
D04 W9W7

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 €	2018 €
<b>Income</b>	<b>3</b>	92,560	91,994
Charitable housing expenses		(37,518)	(34,176)
Administrative expenses		(15,128)	(16,008)
Other operating income		787	75
<b>Operating profit</b>	<b>4</b>	40,701	41,885
Depreciation		(53,350)	(44,852)
<b>Loss before taxation</b>		(12,649)	(2,967)
Tax on loss	<b>5</b>	-	-
<b>Loss for the financial year</b>		(12,649)	(2,967)

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		€	€	€	€
<b>Fixed assets</b>					
Property, plant and equipment	6		2,950,602		2,467,195
<b>Current assets</b>					
Trade and other receivables	7	2,077		11,358	
Cash and cash equivalents		68,866		64,593	
		<u>70,943</u>		<u>75,951</u>	
<b>Current liabilities</b>	8	<u>(3,708)</u>		<u>(2,660)</u>	
<b>Net current assets</b>			67,235		73,291
<b>Total assets less current liabilities</b>			<u>3,017,837</u>		<u>2,540,486</u>
<b>Non-current liabilities</b>	9		<u>(2,908,708)</u>		<u>(2,418,708)</u>
<b>Net assets</b>			<u>109,129</u>		<u>121,778</u>
<b>Equity</b>					
Other reserves	11		15,000		10,000
Retained earnings	12		94,129		111,778
<b>Total equity</b>			<u>109,129</u>		<u>121,778</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Financial Reporting Statement 102 'The Financial Statement Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements were approved by the board of directors and authorised for issue on 11 February 2020 and are signed on its behalf by:

  
 Dr. Declan Murray  
 Director

  
 John Whelan  
 Director

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Other reserves €	Retained earnings €	Total €
<b>Balance at 1 January 2018</b>	5,000	119,745	124,745
<b>Year ended 31 December 2018:</b>			
Loss and total comprehensive income for the year	-	(2,967)	(2,967)
Transfers	5,000	-	5,000
Other movements	-	(5,000)	(5,000)
<b>Balance at 31 December 2018</b>	<u>10,000</u>	<u>111,778</u>	<u>121,778</u>
<b>Year ended 31 December 2019:</b>			
Loss and total comprehensive income for the year	-	(12,649)	(12,649)
Transfers	5,000	-	5,000
Other movements	-	(5,000)	(5,000)
<b>Balance at 31 December 2019</b>	<u><u>15,000</u></u>	<u><u>94,129</u></u>	<u><u>109,129</u></u>

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 €	€	2018 €	€
<b>Cash flows from operating activities</b>					
Cash generated from operations	14		51,030		41,485
<b>Investing activities</b>					
Purchase of property, plant and equipment		(536,757)		(7,045)	
<b>Net cash used in investing activities</b>			(536,757)		(7,045)
<b>Financing activities</b>					
Proceeds from borrowings		490,000		7,202	
<b>Net cash generated from financing activities</b>			490,000		7,202
<b>Net increase in cash and cash equivalents</b>			4,273		41,642
Cash and cash equivalents at beginning of year			64,593		22,951
<b>Cash and cash equivalents at end of year</b>			<u>68,866</u>		<u>64,593</u>

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Company information**

Hearth and Mind is a company limited by guarantee domiciled and incorporated in Republic of Ireland. The registered office is Riversdale House, Ballyboden Road, Rathfarnham, Dublin 14.

**1.1 Accounting convention**

The financial statements are prepared under FRS 102.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

Income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

**1.4 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	2% straight line method, excluding site value
Furniture & equipment	12.5% straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.5 Impairment of non-current assets**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**1.6 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**(Continued)**

**1.7 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.



**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, 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.

**Going Concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**3 Income**

An analysis of the company's income is as follows:

	<b>2019</b>	<b>2018</b>
	€	€
<b>Income analysed by class of business</b>		
Donations	5,747	8,756
Rent receivable and receipts for tenant utilities	86,813	83,238
	<u>92,560</u>	<u>91,994</u>
	<u><u>92,560</u></u>	<u><u>91,994</u></u>

**4 Operating loss**

	<b>2019</b>	<b>2018</b>
	€	€
Operating loss for the year is stated after charging:		
Depreciation of owned property, plant and equipment	53,350	44,852
	<u>53,350</u>	<u>44,852</u>
	<u><u>53,350</u></u>	<u><u>44,852</u></u>

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5 Taxation**

There is no taxation charge as this company has charitable status and is therefore exempt from Corporation Tax.

**6 Property, plant and equipment**

	Land and buildings freehold €	Furniture & equipment €	Total €
<b>Cost</b>			
At 1 January 2019	2,819,313	100,376	2,919,689
Additions	532,818	3,939	536,757
At 31 December 2019	<u>3,352,131</u>	<u>104,315</u>	<u>3,456,446</u>
<b>Depreciation and impairment</b>			
At 1 January 2019	376,463	76,031	452,494
Depreciation charged in the year	52,481	869	53,350
At 31 December 2019	<u>428,944</u>	<u>76,900</u>	<u>505,844</u>
<b>Carrying amount</b>			
At 31 December 2019	<u>2,923,187</u>	<u>27,415</u>	<u>2,950,602</u>
At 31 December 2018	<u>2,442,850</u>	<u>24,345</u>	<u>2,467,195</u>

**7 Trade and other receivables**

	2019 €	2018 €
<b>Amounts falling due within one year:</b>		
Other receivables	-	10,000
Prepayments	2,077	1,358
	<u>2,077</u>	<u>11,358</u>

**8 Current liabilities**

	2019 €	2018 €
Accruals	3,708	2,660
	<u>3,708</u>	<u>2,660</u>

**9 Non-current liabilities**

	Notes	2019 €	2018 €
Other borrowings	10	2,908,708	2,418,708
		<u>2,908,708</u>	<u>2,418,708</u>

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10 Borrowings**

	<b>2019</b>	<b>2018</b>
	€	€
State loans under the Capital Assistance Scheme	2,908,708	2,418,708
	<u>2,908,708</u>	<u>2,418,708</u>
Payable after one year	2,908,708	2,418,708
	<u>2,908,708</u>	<u>2,418,708</u>

Hearth and Mind has benefited from the receipt of grants and loans from various local authorities. These are principally via the Capital Assistance Scheme to fund the acquisition and refurbishment of qualifying housing and other properties for use by the Charity. As at the 31st December the total outstanding in respect of these loans/grants was €2,908,708 (2018: €2,418,708). These loans typically have repayment periods however, Hearth and Mind are relieved of all repayment obligations including interest and capital as long as these properties continue to be used for qualifying charitable purposes. In the event of these properties not being used for qualifying charitable purposes in accordance with agreements, Hearth and Mind will be liable for the outstanding balance on the loan along with any accrued interest. The various funders continue to hold the title deeds to the properties as security for the outstanding loan/grant balance.

**11 Other reserves**

	€
At 1 January 2018	5,000
Additions	5,000
	<u>10,000</u>
At the end of the prior year	10,000
Additions	5,000
	<u>15,000</u>
At the end of the current year	<u>15,000</u>

Other reserves being a sinking fund in relation to unexpected maintenance costs.

**12 Retained earnings**

	<b>2019</b>	<b>2018</b>
	€	€
At the beginning of the year	111,778	119,745
Loss for the year	(12,649)	(2,967)
Other / reserves	(5,000)	(5,000)
	<u>94,129</u>	<u>111,778</u>
At the end of the year	<u>94,129</u>	<u>111,778</u>

**13 Events after the reporting date**

There are no post balance sheet events which would materially affect the financial statements.

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>14 Cash generated from operations</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Loss for the year after tax	(12,649)	(2,967)
<b>Adjustments for:</b>		
Depreciation and impairment of property, plant and equipment	53,350	44,852
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	9,281	2,594
Increase/(decrease) in trade and other payables	1,048	(2,994)
<b>Cash generated from operations</b>	<b>51,030</b>	<b>41,485</b>

<b>15 Analysis of changes in net debt</b>	<b>1 January</b>	<b>Cash flows</b>	<b>31 December</b>
	<b>2019</b>		<b>2019</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank and in hand	64,593	4,273	68,866
Borrowings excluding overdrafts	(2,418,708)	(490,000)	(2,908,708)
	<u>(2,354,115)</u>	<u>(485,727)</u>	<u>(2,839,842)</u>

**16 Approval of financial statements**

The directors approved the financial statements on the 11 February 2020

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**HEARTH AND MIND**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	€	2019 €	€	2018 €
<b>Revenue</b>				
Donations		5,747		8,756
Rents		62,783		61,960
Tenants utilities		24,030		21,278
		<u>92,560</u>		<u>91,994</u>
<b>Other operating income</b>				
Insurance claims receivable	-		75	
Other income	787		-	
		<u>787</u>		<u>75</u>
<b>Distribution costs</b>				
Tenants power, light and heat	27,665		22,849	
Property repairs and maintenance	6,351		8,474	
Premises insurance	3,502		2,853	
		<u>(37,518)</u>		<u>(34,176)</u>
<b>Administrative expenses</b>				
Rent	9,225		9,225	
Professional subscriptions	597		527	
Legal and professional fees	201		1,748	
Audit fees	2,713		2,660	
Bank charges	282		349	
Printing and stationery	528		697	
Telecommunications	1,113		679	
Fund Raising Expenses	308		123	
Sundry expenses	161		-	
		<u>(15,128)</u>		<u>(16,008)</u>
<b>Operating profit before depreciation</b>		40,701		41,885
<b>Depreciation</b>				
Depreciation	(53,350)		(44,852)	
		<u>(53,350)</u>		<u>(44,852)</u>
<b>Operating loss after depreciation</b>		<u>(12,649)</u>		<u>(2,967)</u>