

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 2018

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

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

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

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and audited financial statements for the year ended 31 December 2018.

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-.

Currently our focus is on those with the greatest need - one person households with a mental health disability who have little chance of securing a roof over their heads. However that focus 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 homeless on our streets also have a mental health disability.

It has been a satisfactory year but our income suffered a loss because a house which we are purchasing has been the subject of repeated objections under the planning system – all of which have failed. As a result of the house remaining vacant for more than a year 4 people in need have been denied a home and this charity has suffered a significant opportunity cost. We extend our deep gratitude to all our benefactors for all their contributions.

We have continued to manage our existing properties in our quest to provide high quality accommodation for our tenants to enhance their quality of life within communities. This will lead to improved mental health and better outcomes for our tenants.

There was a surplus this year, before depreciation, which is being retained to finance future developments and acquisitions and maintenance.

We still operate on a 100% voluntary basis so all income goes to benefit our clients. We thank a number of new volunteers who have joined us recently whose input is appreciated.

There is a great deal of regulatory reporting to comply with the requirements of several State bodies. Our volunteers have met the onerous tasks once again. We will incur labour costs in the coming years 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 2018

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
Aoife Gillivan (Resigned 15 August 2018)
Janice Huet
Joyce Westman (Resigned 15 August 2018)

Results and dividends

The results for the year are set out on page 6.

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.

Post reporting date events

There are no post balance sheet 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 2018

On behalf of the board

Dr. Declan Murray
Director
29 May 2019

John Whelan
Director

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

FOR THE YEAR ENDED 31 DECEMBER 2018

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
29 May 2019

John Whelan
Director

HEARTH AND MIND (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEARTH AND MIND

Opinion

We have audited the financial statements of Hearth and Mind (the 'company') for the year ended 31 December 2018 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 state of the company's affairs as at 31 December 2018 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

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

Ian Lawlor
for and on behalf of JPA Brenson Lawlor

29 May 2019

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 2018

	Notes	2018 €	2017 €
Revenue	3	91,994	106,176
Charitable housing expenses		(34,176)	(34,077)
Administrative expenses		(16,008)	(8,985)
Other operating income		75	10,512
Operating profit	4	41,885	73,626
Depreciation	5	(44,852)	(47,384)
Finance costs	5	-	(828)
(Loss)/profit before taxation		(2,967)	25,414
Tax on loss/profit	6	-	-
(Loss)/profit for the financial year		<u>(2,967)</u>	<u>25,414</u>

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

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		€	€	€	€
Fixed assets					
Property, plant and equipment	7		2,467,195		2,505,002
Current assets					
Trade and other receivables	9	11,358		13,952	
Cash and cash equivalents		64,593		22,951	
		<u>75,951</u>		<u>36,903</u>	
Current liabilities	10	<u>(2,660)</u>		<u>(5,654)</u>	
Net current assets			73,291		31,249
Total assets less current liabilities			2,540,486		2,536,251
Non-current liabilities	11		(2,418,708)		(2,411,506)
Net assets			<u>121,778</u>		<u>124,745</u>
Equity					
Other reserves	13		10,000		5,000
Retained earnings	14		111,778		119,745
Total equity			<u>121,778</u>		<u>124,745</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 29 May 2019 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 2018

	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2017	20,000	99,331	119,331
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	25,414	25,414
Transfers	5,000	-	5,000
Other movements	(20,000)	(5,000)	(25,000)
Balance at 31 December 2017	5,000	119,745	124,745
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(2,967)	(2,967)
Transfers	5,000	-	5,000
Other movements	-	(5,000)	(5,000)
Balance at 31 December 2018	10,000	111,778	121,778

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

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018		2017	
		€	€	€	€
Cash flows from operating activities					
Cash generated from operations	16	41,485		68,948	
Interest paid		-		(828)	
Net cash inflow from operating activities		41,485		68,120	
Investing activities					
Purchase of property, plant and equipment		(7,045)		(26,942)	
Net cash used in investing activities		(7,045)		(26,942)	
Financing activities					
Movements in reserves		-		(20,000)	
Repayment of borrowings		7,202		10,000	
Repayment of bank loans		-		(29,127)	
Net cash generated from/(used in) financing activities		7,202		(39,127)	
Net increase in cash and cash equivalents		41,642		2,051	
Cash and cash equivalents at beginning of year		22,951		20,900	
Cash and cash equivalents at end of year		64,593		22,951	

HEARTH AND MIND (A COMPANY LIMITED BY GUARANTEE) NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 Revenue

Revenue 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 2018

1 Accounting policies

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 direct issue 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 2018

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 Revenue

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

	2018	2017
	€	€
Revenue analysed by class of business		
Donations	8,756	17,337
Rent receivable and receipts for tenant utilities	83,238	88,479
Events	-	360
	<u>91,994</u>	<u>106,176</u>

	2018	2017
	€	€
Revenue analysed by geographical market		
Republic of Ireland	<u>91,994</u>	<u>106,176</u>

4 Operating (loss)/profit

	2018	2017
	€	€
Operating (loss)/profit for the year is stated after charging:		
Depreciation of owned property, plant and equipment	<u>44,852</u>	<u>44,351</u>

5 Finance costs

	2018	2017
	€	€
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>-</u>	<u>828</u>

**HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Taxation

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

7 Property, plant and equipment

	Land and buildings freehold	Furniture & equipment	Total
	€	€	€
Cost			
At 1 January 2018	2,815,908	96,736	2,912,644
Additions	3,405	3,640	7,045
At 31 December 2018	<u>2,819,313</u>	<u>100,376</u>	<u>2,919,689</u>
Depreciation and impairment			
At 1 January 2018	334,638	73,004	407,642
Depreciation charged in the year	41,825	3,027	44,852
At 31 December 2018	<u>376,463</u>	<u>76,031</u>	<u>452,494</u>
Carrying amount			
At 31 December 2018	<u>2,442,850</u>	<u>24,345</u>	<u>2,467,195</u>
At 31 December 2017	<u>2,481,270</u>	<u>23,732</u>	<u>2,505,002</u>

8 Financial instruments

	2018	2017
	€	€
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>10,000</u>	<u>12,456</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>2,421,368</u>	<u>2,417,160</u>

9 Trade and other receivables

	2018	2017
	€	€
Amounts falling due within one year:		
Other receivables	10,000	12,456
Prepayments	1,358	1,496
	<u>11,358</u>	<u>13,952</u>

HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10	Current liabilities		2018	2017
			€	€
	Accruals		<u>2,660</u>	<u>5,654</u>
11	Non-current liabilities		2018	2017
		Notes	€	€
	Other borrowings	12	<u>2,418,708</u>	<u>2,411,506</u>
12	Borrowings		2018	2017
			€	€
	State loans under the Capital Assistance Scheme		<u>2,418,708</u>	<u>2,411,506</u>
	Payable after one year		<u>2,418,708</u>	<u>2,411,506</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 €2,418,708 (2017: €2,411,506). 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.

**HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Other reserves		€
At 1 January 2017		20,000
Additions		5,000
Other movements		(20,000)
At 31 December 2017		<u>5,000</u>
Additions		5,000
At 31 December 2018		<u><u>10,000</u></u>
Other reserves being a sinking fund in relation to unexpected maintenance costs.		
14 Retained earnings		
	2018	2017
	€	€
At the beginning of the year	119,745	99,331
(Loss)/profit for the year	(2,967)	25,414
Other / reserves	(5,000)	(5,000)
At the end of the year	<u><u>111,778</u></u>	<u><u>119,745</u></u>
15 Events after the reporting date		
There are no post balance sheet events which would materially affect the financial statements.		
16 Cash generated from operations		
	2018	2017
	€	€
(Loss)/profit for the year after tax	(2,967)	25,414
Adjustments for:		
Finance costs	-	828
Depreciation and impairment of property, plant and equipment	44,852	44,351
Movements in working capital:		
Decrease in trade and other receivables	2,594	563
(Decrease) in trade and other payables	(2,994)	(2,208)
Cash generated from operations	<u><u>41,485</u></u>	<u><u>68,948</u></u>

**HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Approval of financial statements

The directors approved the financial statements on the 29 May 2019

HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

**HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	€	€	€	€
Revenue				
Donations	8,756		17,698	
Rents	<u>61,960</u>	70,716	<u>66,695</u>	84,393
Tenants' contributions for utilities		<u>21,278</u>		<u>21,783</u>
		91,994		106,176
Other operating income				
Insurance claims receivable		75		10,512
Distribution Costs				
Charitable Housing Expenses	34,176		34,077	
Administration Expenses	<u>16,008</u>	<u>(50,184)</u>	<u>12,018</u>	<u>(46,095)</u>
Operating profit / (loss)		41,885		70,431
Finance Costs				
Bank Interest on Loans and overdrafts				(828)
Depreciation		<u>(44,852)</u>		<u>(44,351)</u>
Net profit / (loss)		<u>(2,967)</u>		<u>25,414</u>

**HEARTH AND MIND
(A COMPANY LIMITED BY GUARANTEE)
SCHEDULE OF ADMINISTRATIVE EXPENSES**

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	€	€
Distribution costs		
Tenants power, light and heat	22,849	23,428
Property repairs and maintenance	8,474	8,559
Property Insurance	<u>2,853</u>	<u>2,090</u>
	34,176	34,077
Administrative expenses		
Rent	9,225	7,008
Professional subscriptions	527	377
Legal and professional fees	1,748	690
Audit fees	2,660	2,583
Bank charges	349	235
Telecommunications	697	642
Fund Raising Expenses	123	123
Sundry expenses	0	360
Total administration expenses	<u>16,008</u>	<u>12,018</u>
Depreciation	44,852	44,351

Commented [J1]: