



Little Hearts Matter
Half a heart, not half a life

Little Hearts Matter

Abbreviated Financial Statements

For the Year Ended 31 December 2020

*A company limited by guarantee, registered in England and Wales, number 06442071,
registered office 75 Harborne Road, 4th Floor, Edgbaston, Birmingham, West Midlands, B15 3BU,
registered charity number 1123290.*

Abbreviated Financial Statements

For the Year Ended 31 December 2020

Treasurer's Report

Introduction

This set of abbreviated accounts for the financial year has been extracted from the full set of accounts Matter (LHM) office or website. The full accounts are still subject to an independent examination.

Financial Review

The Statement of Financial Activities (SOFA) shows a significant net inflow of funds in 2020 (£125,342) which is split between both general and restricted funds. This net income has arisen despite the challenges of the Coronavirus pandemic which affected most of the year.

In response to the pandemic, the Charity took immediate action to ensure the safety of the charity team and, where service provision created a direct face-to-face risk, the membership. This meant that the key annual event of the annual open day was cancelled before the lockdown announcement by the government. All face-to-face membership events, including those for fundraising, were cancelled.

To manage and review the impact of the Covid crisis including income and expenditure, the Finance and General Purposes Committee, a subset of the Management Team and Board of Trustees, met fortnightly from March. This ensured that there was a strong and agile governance process in place to support the Charity and the office team and to enable prompt and informed decision making.

To manage the financial risks to the charity and to ensure full use of all Covid focussed grants and government support, a full review of the charity's key services was undertaken. A priority plan was instigated to ensure all online and phone services were maintained. Approximately half of the staff team, non-service focussed, were furloughed through the government Coronavirus Job Retention Scheme (CJRS) and subsequently the staffing levels were reviewed and changes undertaken. The office team throughout the whole year have been fantastic with a clear focus on supporting the membership, young people and safeguarding Little Hearts Matter.

The total incoming resources slightly exceeded the record level from 2019 but 20% of this income was through specific Coronavirus grants including the CJRS. The levels of donations and fundraising, in particular, were significantly impacted and reduced by approximately 30% year on year. This was mitigated by tight cost control through a review of all spending and the prioritisation of support for the membership.

The balance sheet shows the financial position of the Charity at 31 December 2020 which remains strong with over £350,000 of net assets, predominantly represented in cash. The Board of Trustees deem this position to be essential due to the ongoing economic impact of Coronavirus into 2021 with the planned reductions in government support such as the furlough schemes. The budget agreed for 2021 has been set with this in mind and shows a slight surplus in the general fund but this will be highly dependent on the recovery of the UK economy.

The Board of Trustees monitor the cash position closely to ensure that there are enough unrestricted funds to meet day-to-day demands. At 31 December 2020, the unrestricted cash position represents over seven months of funding compared to the budget set for 2021 reflecting the position described above.

Statement of Financial Activities

For the year ended 31 December 2020

| | Year ended 31 December 2020 | | Year ended 31 December 2019 | |
|-----------------------------|--------------------------------|---------------|--------------------------------|---------------|
| | £ | | £ | |
| Incoming resources | | | | |
| Donations | 84,372 | 18.0% | 103,760 | 22.2% |
| Fundraising | 89,276 | 19.0% | 151,203 | 32.4% |
| Corporate/grant funders | 172,667 | 36.7% | 188,302 | 40.3% |
| Covid donations/grants | 95,652 | 20.3% | - | 0.0% |
| Tax refunds | 25,493 | 5.4% | 21,622 | 4.6% |
| Other | 2,576 | 0.5% | 2,407 | 0.5% |
| Total income | 470,036 | 100.0% | 467,294 | 100.0% |
| Resources expended | | | | |
| Cost of Generating Funds | 8,117 | 2.4% | 16,476 | 4.2% |
| Charitable activities: | | | | |
| Salaries | 208,278 | 60.4% | 208,024 | 52.9% |
| Building costs | 48,043 | 13.9% | 47,093 | 12.0% |
| IT Support | 11,922 | 3.5% | 8,211 | 2.1% |
| Printing/photocopying | 8,360 | 2.4% | 10,352 | 2.6% |
| Open day | 6,496 | 1.9% | 24,969 | 6.4% |
| Postage | 6,273 | 1.8% | 3,552 | 0.9% |
| Depreciation | 5,223 | 1.5% | 5,268 | 1.3% |
| Database | 4,359 | 1.3% | 5,074 | 1.3% |
| Newsletter | 3,971 | 1.2% | 5,373 | 1.4% |
| Telephone | 3,768 | 1.1% | 3,543 | 0.9% |
| Gifts | 2,881 | 0.8% | 2,554 | 0.6% |
| Insurance | 2,408 | 0.7% | 1,906 | 0.5% |
| Public Relations | 2,302 | 0.7% | 6,767 | 1.7% |
| Subscriptions | 1,946 | 0.6% | 3,222 | 0.8% |
| Activity weekends | 1,080 | 0.3% | 5,393 | 1.4% |
| Recruitment/agency staff | 365 | 0.1% | 2,768 | 0.7% |
| Travel | 347 | 0.1% | 5,303 | 1.3% |
| Bereavement events | 143 | 0.0% | 3,370 | 0.9% |
| Other | 11,640 | 3.4% | 14,630 | 3.7% |
| Governance costs | 6,772 | 2.0% | 9,225 | 2.3% |
| Total expenditure | 344,694 | 100.0% | 393,073 | 100.0% |
| Net income | 125,342 | | 74,221 | |
| Opening fund balance | 231,544 | | 157,323 | |
| Closing fund balance | 356,886 | | 231,544 | |

Balance Sheet

As at 31 December 2020

| | 31 December 2020 | | 31 December 2019 | |
|------------------------------|------------------|----------------|------------------|----------------|
| | £ | £ | £ | £ |
| Tangible fixed assets | | 2,172 | | 6,153 |
| Current assets: | | | | |
| Debtors | 13,733 | | 10,125 | |
| Cash | 349,500 | | 227,082 | |
| | <u>363,233</u> | | <u>237,207</u> | |
| Creditors: | | | | |
| Amounts due within 1 year | <u>(8,519)</u> | | <u>(11,816)</u> | |
| Net current assets | | 354,714 | | 225,391 |
| Net Assets | | 356,886 | | 231,544 |

Analysed as:

| | | |
|------------------|----------------|----------------|
| General funds | 190,120 | 149,778 |
| Restricted funds | 166,766 | 81,766 |
| | 356,886 | 231,544 |