

Charity registration number: 1169136

Hungary Hearts Dog Rescue

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Hungary Hearts Dog Rescue

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Hungary Hearts Dog Rescue

Reference and Administrative Details

Trustees	Ms Hilda Zilahi-Barabas
	Vanessa Hemstock
	Janos Barabas
Principal Office	61 Barnard Field
	Amesbury
	Wiltshire
	SP4 7FF
Charity Registration Number	1169136
Independent Examiner	Vectis Accountants
	3 Marsh Court Farm
	Romsey Road
	Stockbridge
	Hampshire
	SO20 6DF

Hungary Hearts Dog Rescue

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

Objectives and activities

Objects and aims

Our aim is to find loving homes for abandoned and neglected dogs on death row in Hungary.

Public benefit

For the benefit of the public to relieve the suffering of animals in need of care and attention and to maintain rescue homes or other facilities for the reception, care and treatment of such animals.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Financial review

Policy on reserves

We do not have a policy on reserves, but we try to keep funds on our account for any emergency situations.

Structure, governance and management

Nature of governing document

Charitable Trust, Model Trust Deed

Recruitment and appointment of trustees

Appointed by Founder and elected by trustees.

Organisational structure

Trust

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Hungary Hearts Dog Rescue

Trustees' Report

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Funds held as custodian trustee on behalf of others

See accounts

The annual report was approved by the trustees of the charity on 21 January 2022 and signed on its behalf by:

.....
Ms Hilda Zilahi-Barabas
Trustee

Hungary Hearts Dog Rescue

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 21 January 2022 and signed on its behalf by:

.....
Ms Hilda Zilahi-Barabas
Trustee

Hungary Hearts Dog Rescue

Independent Examiner's Report to the trustees of Hungary Hearts Dog Rescue

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

As the charity's trustees of Hungary Hearts Dog Rescue you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Hungary Hearts Dog Rescue's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Hungary Hearts Dog Rescue as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Vectis Accountants

3 Marsh Court Farm
Romsey Road
Stockbridge
Hampshire
SO20 6DF

21 January 2022

Hungary Hearts Dog Rescue

Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies		215,043	215,043
Total income		215,043	215,043
Expenditure on:			
Raising funds		(194,560)	(194,560)
Total expenditure		(194,560)	(194,560)
Net income		20,483	20,483
Net movement in funds		20,483	20,483
Reconciliation of funds			
Total funds brought forward		9,269	9,269
Total funds carried forward	9	29,752	29,752
	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies		136,609	136,609
Total income		136,609	136,609
Expenditure on:			
Raising funds		(129,163)	(129,163)
Total expenditure		(129,163)	(129,163)
Net income		7,446	7,446
Net movement in funds		7,446	7,446
Reconciliation of funds			
Total funds brought forward		1,823	1,823
Total funds carried forward	9	9,269	9,269

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 9.

Hungary Hearts Dog Rescue
(Registration number: 1169136)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	23,310	15,707
Current assets			
Cash at bank and in hand	6	14,409	4,367
Creditors: Amounts falling due within one year	7	<u>(2,007)</u>	<u>(2,610)</u>
Net current assets		<u>12,402</u>	<u>1,757</u>
Total assets less current liabilities		35,712	17,464
Creditors: Amounts falling due after more than one year	8	<u>(5,960)</u>	<u>(8,195)</u>
Net assets		<u>29,752</u>	<u>9,269</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>29,752</u>	<u>9,269</u>
Total funds	9	<u>29,752</u>	<u>9,269</u>

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on 21 January 2022 and signed on their behalf by:

.....
Ms Hilda Zilahi-Barabas
Trustee

Hungary Hearts Dog Rescue

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Hungary Hearts Dog Rescue 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 notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Hungary Hearts Dog Rescue

Notes to the Financial Statements for the Year Ended 31 March 2021

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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 charity after deducting all of its liabilities.

Hungary Hearts Dog Rescue

Notes to the Financial Statements for the Year Ended 31 March 2021

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	215,043	215,043
Total for 2021	215,043	215,043
Total for 2020	136,609	136,609

3 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
Marketing and publicity		3,263	3,263
Depreciation, amortisation and other similar costs		2,603	2,603
Other direct costs of generating voluntary income		188,694	188,694
Total for 2021		194,560	194,560
Total for 2020		129,163	129,163

Hungary Hearts Dog Rescue

Notes to the Financial Statements for the Year Ended 31 March 2021

**Total
costs
£**

4 Taxation

The charity is a registered charity and is therefore exempt from taxation.

5 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2020	5,963	11,700	17,663
Additions	<u>12,963</u>	<u>-</u>	<u>12,963</u>
At 31 March 2021	<u>18,926</u>	<u>11,700</u>	<u>30,626</u>
Depreciation			
At 1 April 2020	737	1,219	1,956
Charge for the year	<u>2,740</u>	<u>2,620</u>	<u>5,360</u>
At 31 March 2021	<u>3,477</u>	<u>3,839</u>	<u>7,316</u>
Net book value			
At 31 March 2021	<u>15,449</u>	<u>7,861</u>	<u>23,310</u>
At 31 March 2020	<u>5,226</u>	<u>10,481</u>	<u>15,707</u>

6 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>14,409</u>	<u>4,367</u>

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	1,317	473
Other creditors	-	1,500
Accruals	<u>690</u>	<u>637</u>
	<u>2,007</u>	<u>2,610</u>

8 Creditors: amounts falling due after one year

	2021 £	2020 £
Hire purchase and finance leases	<u>5,960</u>	<u>8,195</u>

Hungary Hearts Dog Rescue

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	<u>9,269</u>	<u>215,043</u>	<u>(194,560)</u>	<u>29,752</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted funds				
General	<u>1,823</u>	<u>136,609</u>	<u>(129,163)</u>	<u>9,269</u>

Hungary Hearts Dog Rescue

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	215,043	136,609
Total income	<u>215,043</u>	<u>136,609</u>
Expenditure on:		
Raising funds (analysed below)	(194,560)	(129,163)
Total expenditure	<u>(194,560)</u>	<u>(129,163)</u>
Net income	<u>20,483</u>	<u>7,446</u>
Net movement in funds	20,483	7,446
Reconciliation of funds		
Total funds brought forward	<u>9,269</u>	<u>1,823</u>
Total funds carried forward	<u><u>29,752</u></u>	<u><u>9,269</u></u>

Hungary Hearts Dog Rescue

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
Donations	215,043	136,609
	<u>215,043</u>	<u>136,609</u>
<i>Raising funds</i>		
Salaries	(21,087)	(1,753)
Employers national insurance	(1,697)	(220)
Travelling costs	(72,953)	(47,975)
Insurance	(1,913)	(1,757)
Telephone and internet	(53)	(15)
Computer software and maintenance costs	(238)	(170)
Printing, postage and stationery	(404)	(871)
Trade subscriptions	(2,605)	(2,163)
Motor Expenses	(8,086)	(3,834)
Motor insurance	(1,163)	(528)
Advertising and Marketing	(3,263)	(3,912)
Dog Expenses	(4,581)	(3,990)
Vet costs	(63,040)	(55,342)
Boarding fees	(1,740)	(1,860)
Cleaning	(600)	(1,200)
Repairs and maintenance	(3,518)	(165)
Accountancy fees	(710)	(659)
Legal fees	-	(25)
Bank charges	(157)	(28)
Paypal fees	(806)	(845)
Interest paid	(586)	(195)
Fixtures and fittings depreciation	(2,603)	(300)
Motor vehicle depreciation	(2,620)	(1,219)
Office equipment depreciation	(137)	(137)
	<u>(194,560)</u>	<u>(129,163)</u>

This page does not form part of the statutory financial statements.