

Annual Report 2007 - 2008



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children's heart
FEDERATION

REGISTERED CHARITY NUMBER: 800525 & 1120557

**Report of the Trustees and
Audited Financial Statements For The Year Ended 31st May 2008
for
Children's Heart Federation**

Sheen Stickland LLP
Chartered Accountants
Registered Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Children's Heart Federation

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for the Year Ended 31st May 2008**

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Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

The Trustees present their report with the financial statements of the charity for the year ended 31st May 2008. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

800525 & 1120557

Principal address

2-4 Great Eastern Street
London
EC2A 3NW

Trustees

Julie Wootton (Chair)
Janet Rathburn (Vice-Chair)
Richard Preedy (Treasurer)
Irwyn McKibbin
Chris Stringfellow
Paul Willgoss

Auditors

Sheen Stickland LLP
Chartered Accountants
Registered Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Solicitors

Bircham, Dyson Bell
50 Broadway,
London
SW1H 0BL

MFG Solicitors LLP
Carlton House
Worcester Street
Kidderminster
Worcestershire
DY10 1BA

Chief Executive

Anne Keatley-Clarke

Bankers

CAF Bank Ltd
Kings Hill
West Malling
Kent ME19 4TA

HSBC Bank Plc
281 Chiswick High Road
London W4 4HJ

Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Governing document

The financial statements have been prepared under current statutory requirements of the Charity's Governing document and the requirements of Recommended Practice Accounting and Reporting by Charities (the Charities SORP 2005).

The Charity is registered with the Charity Commission in England and Wales under the registered number 800525. The Charity is governed by a constitution adopted on 16 May 1987 and amended from time to time.

Trustees, Trustee recruitment and Training

The Trustees who served during the year are as follows:-

Chair	Julie Wootton	Trustees	Irwyn McKibbin
Vice-Chair	Janet Rathburn		Chris Stringfellow
Treasurer	Richard Preedy		Paul Willgoss

Trustees are drawn from the Charity's member groups and individuals who have an interest of the work of the federation.

New Trustees are recruited from interested individuals when the need arises and subject to the requirements of the constitution.

Appropriate training is given to new Trustees so that they gain a full understanding of the Charity, its aims and objectives and the day to day operations. Training is also given to ensure Trustees are kept up to date with relevant regulations and legislation.

Heart Statistics

- ♥ Congenital heart defect is a term which covers any heart abnormality present from birth. One in every 133 babies in the UK is born with a heart condition, over 5,000 babies per year.
- ♥ Acquired heart defect is a term which covers a heart abnormality that develops after a baby is born. An estimated 500 -1000 children per year develop heart conditions after they are born.
- ♥ Finding out that their child has a heart condition can cause parents a great deal of distress. The right support and information can help them to cope with the news and feel more positive.
- ♥ Improvements in paediatric heart surgery and clinical care have lead to more children with heart conditions surviving into adulthood. The number of adults with heart conditions is now increasing at an estimated rate of 5% per year.
- ♥ Heart conditions create a global disease burden that is comparable to diabetes, asthma and rheumatoid arthritis (World Health Organisation, 2003).

The Charity

Children's Heart Federation (CHF) was founded in 1986 in order to help families of children with heart conditions by providing support to both individual families and to self-help groups. Children's Heart Federation is ideally placed to represent the views of families' thanks both to the direct contact we have with the parents who use our Information Service and the indirect contact we have with families via our member charities. This unique position has enabled Children's Heart Federation to establish itself as a vital tool for both parents and policy makers in enabling parent's voices to be heard.

OUR VISION is that all children with heart conditions have both their medical and social needs met so that they can live life to the full.

OUR MISSION is to provide support and information to children with heart conditions and their families.

Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Management

Children's Heart Federation is governed by a board of Trustees. Apart from our Treasurer, who is a qualified accountant, all our Trustees hold leading honorary positions within our member charities. One of our Trustees has a congenital heart condition, giving him first hand knowledge of what it is like to grow up with a heart condition, and many of our Trustees are parents of heart children. This personal experience of heart conditions is supplemented by a wide range of relevant experience and knowledge gained in their professional lives. The Trustees are formally elected by the member charities of Children's Heart Federation.

The Board is responsible for setting the strategic direction of the charity. It works, in partnership with the Chief Executive, to agree policies and strategic plans. The Board meets five times per year, with a focus towards monitoring outcomes and strategic decision-making. The operational activities are delegated to the Chief Executive.

Staff Team

Children's Heart Federation currently employs a team of ten paid staff to deliver our services, although this number will increase as our work expands. The charity recognises the key contribution of our staff to the work of the charity and continues to place a high priority on attracting and retaining professional, positive and committed employees.

The Board of Trustees very much appreciates the tremendous work done by our staff.

Volunteers

Children's Heart Federation benefits from the support of team of volunteers who share their skills and use their time both in the office and at events to help further our work in supporting families caring for heart children.

The Trustees and the staff really value their support and are grateful for all that that they do.

Members

Our members consist of both national and regional charities, some of which are condition specific whilst others have close links with particular hospitals. All are concerned with children and young people with heart conditions. During the year, we were pleased to welcome two new members, Young Hearts and Tiny Tickers. Below is a full list of our member charities.

- | | |
|--|--|
| ♥ Barth Syndrome Trust | ♥ Heart Line Association |
| ♥ Cardiomyopathy Association | ♥ Heart Transplant Families Together |
| ♥ Children's Heart Association | ♥ Little Hearts Matter |
| ♥ Children's Heart Unit Fund | ♥ Max Appeal |
| ♥ CRY (Cardiac Risk in the Young) | ♥ South West Children's Heart Circle |
| ♥ Downs Heart Group | ♥ The Brompton Foundation |
| ♥ Evelina Children's Heart Organisation | ♥ The Scottish Association for Children with Heart Disorders |
| ♥ Grown Up Congenital Heart Patient's Association (GUCH) | ♥ Tiny Tickers |
| ♥ Heartbeat | ♥ Wessex Children's Heart Circle |
| ♥ Heart Children Ireland | ♥ Young Hearts |
| ♥ Heart Link | ♥ Young at Heart |

Recent developments in the way in which Children's Heart Federation operates have increased members' involvement in the campaigning and influencing aspect of our work. This has been a positive development and we hope to continue to increase the input of our members.

Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

OBJECTIVES AND ACTIVITIES

Children's Heart Federation is dedicated to seeing heart children and young people and their families fully supported and included in their community. Our strategic objectives are to support the parents and carers of children and young people with heart conditions by;

- ♥ Increasing Children's Heart Federation's impact on policy and decision-making;
- ♥ Improving the overall quality of provision in the healthcare, social care and education sectors for children and young people with heart conditions;
- ♥ Developing and establishing partnerships with other providers of support to children with heart conditions and their families. We also want to strengthen the relationships we already have with advocates and facilitators of disabled children's rights and with our growing number of member charities;
- ♥ Strengthening Children's Heart Federation's funding base; and
- ♥ Making measurable progress towards the achievement of best practices in the charity management and the disability sector. We are particularly keen to encourage the development of a diverse team of volunteers.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Children's Heart Federation is a highly effective organisation that supports families caring for heart children at two levels. Every day we provide direct support to individual families but we also represent the views of our member charities and the wider community of parents of heart children to policy makers and service providers at an international, national and regional level, in order to improve services.

The last twelve months have been a period of significant but positive change for Children's Heart Federation which has seen us working in the following areas:

Supporting families directly

- ♥ We gave **advice and information** to thousands of families, by telephone, by e-mail and through our web-site. In the past year, we have seen the number of people visiting our website double. By May 2008 over 27,000 people a month were accessing our information and over 5,000 documents a month were being downloaded. The continual growth in information being downloaded from our web-site is particularly pleasing because it means that parents are getting the information they need at the time they want it. We were also pleased to see an increasing number of people choosing to download our newsletter from our website – thereby significantly increasing readership.
- ♥ We were able to provide more than 50 children with **specialist medical monitoring equipment** in order to help them to manage their conditions themselves and reduce the number of visits that they need to make to out-patient clinics.
- ♥ Through our **family grant programme**, we were able to help many families experiencing financial hardship as a result of the additional cost of caring their heart child. Typically, grants were used to help meet the costs of travelling to a specialist hospital or of providing mobility aids. Unfortunately, a lack of funding meant we were not able to help all the families who applied to us.
- ♥ Over 30 children received a **Molly's Dolly**. These dolls have been specially created to help children come to terms with their own treatment, scar and self-image and each one has hair colour, skin tone and a scar that match that of their new owner.
- ♥ We developed our work with **young people** by running our own short break programme and working with the *Over the Wall Club* to offer young people a wider range of activities. We have engaged more young people in organising and leading activities as well as giving them input into our newsletter and encouraging them to join our page on the social networking site Facebook. Finally, we are partnering with the *British Heart Foundation* to run the Young Hearty Voices Project which will recruit young people with heart conditions to become mentors to other young people in the same position.
- ♥ We continued to organise **family activities** which included a visit to the ballet, a weekend in Chester with a visit to the zoo and a trip to Lapland. All members of the family were invited, so that parents could share and learn from each others' experiences and brothers and sisters could talk honestly to other children about the challenges they face in living with a disabled sibling. Families were also able to talk informally to the accompanying medical staff and get any advice that they needed.

Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

Representing the views of parents of heart children

- ♥ Children's Heart Federation was started by a group of self-help parent charities that wanted to raise awareness to issues of shared concern relating to the care of children with heart conditions. We now have over 20 member charities, some large and others quite small. Most of our members either support families of children with a specific heart condition or are linked to a particular hospital. Throughout the past year, Children's Heart Federation has worked with its member organisations to enable heart patient/carer voices to have a stronger influence on national and regional policy-making groups. Our major priority at the moment is the forthcoming review of the configuration of tertiary paediatric cardiac centres.
- ♥ Children's Heart Federation became a member of The European Congenital Heart Disease Organisation (ECHDO), the newly formed umbrella organisation which aims to link parent and patient organisations with professionals who share an interest in congenital heart defects. ECHDO is now working on identifying common standards for all European patients, and sharing information about care. ECHDO recently received funding from the EU for the development of a European-wide information and communication website called Corience. The primary language of the website will be English so Children's Heart Federation has accepted an invitation to become a special adviser on this important project.
- ♥ Children's Heart Federation continued to work with health and social care providers to raise awareness of the needs of children with heart conditions. We used our recognised role as both the voice of families with heart children and an informed contributor to develop policy relating to the care of heart children. We acted as lay advisors on a number of occasions, for example, with the Central Cardiac Audit Database (CCAD) on the development of their web-site on clinical care of children with congenital heart defects and with the National Institute for Health and Clinical Excellence (NICE) on the development of their guidance for the use of Prophylaxis for Infectious Endocarditis.
- ♥ Although congenital heart conditions create a global disease burden that is comparable to diabetes, asthma and rheumatoid arthritis, there is very little research on heart conditions in the UK. In order to improve the future for children with this disease, Children's Heart Federation is keen to encourage research into why heart conditions occurs and how best to provide appropriate support. We were therefore pleased to be asked to become a partner this year of the GO-CHD study in Oxford.

Fundraising and achieving best practices in charity management

- ♥ Securing funding is one of the biggest challenges faced by many organisations and this challenge is shared by the Children's Heart Federation. Over the past year, we have made changes to our income generation operations which have enabled us to reduce our fundraising costs and to better control our incoming and outgoing resources. The results of these changes mean that we are now able to dedicate a greater proportion of our resources to direct charitable activities. Attracting additional funding and developing new sustainable income streams will remain a major challenge for Children's Heart Federation. In the coming years, one of our key aims is to move beyond the short-term to a more durable and dependable income base.
- ♥ Children's Heart Federation recognises that many donors wish to support projects throughout the country by giving funding to one umbrella organisation rather than to a number of small organisations. We can help them to achieve this by developing our grant programme for our member organizations. Through this scheme, donors will be able to support a number of projects designed to help children and young people with heart conditions throughout the country.
- ♥ Recent changes to the infrastructure of Children's Heart Federation have provided increased opportunities for staff development and the recruitment of people with new and additional skills, expertise and knowledge to the organisation. The investment in staff training, development and knowledge sharing will continue.
- ♥ We hope to make further advances in the development of our Volunteer Programme so that people volunteering with Children's Heart Federation will both help us deliver our services whilst simultaneously developing their own skills.

Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

FINANCIAL REVIEW

Financial Activity in the Year

The Trustees confirm that the financial statements comply with the statutory requirements, the requirements of the Charity's Governing document and the requirements of the recommended Practice Accounting and Reporting by Charities (the Charities SORP 2005).

Although we saw a reduction in our income, we were able to introduce more efficient working arrangements which allowed us to develop the services for both our families and our member groups. The majority of our funds came from companies and from grant making trusts and foundations. We rely on these funders to make a difference to the lives children with heart conditions and their families and we thank them all for their generous support.

Reserves

At the end of the year the total reserves stood at £207,682 an increase of 15% from the previous year which equals to nearly 5 months running costs. Of these reserves £146,753 were unrestricted. The trustees have formulated a reserves policy in accordance with Charity Commission recommendations. This policy is to retain sufficient unrestricted reserves to allow for any unforeseen falls in income or rises in expenditure and to seek to ensure continuity of our services. Accordingly, our reserves policy is to maintain unrestricted reserves at 25% (i.e. three months) of total current anticipated annual expenditure. The trustees have concluded that the unrestricted reserves at the balance sheet date which is equal to just over 3 months of anticipated expenditure is prudent in view of the current challenging economic climate, and that Children's Heart Federation is conforming to Charity Commission guidelines, to good governance, best practice and to the 2005 SORP. We will aim to maintain our reserves at this level for the coming year.

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major financial and non-financial risks to which Children's Heart Federation is exposed, along with the systems, operating procedures and insurances in force and are satisfied that systems are in place to mitigate our exposure to major risk.

Children's Heart Federation

Report of the Trustees for the Year Ended 31st May 2008

FUTURE DEVELOPMENTS

Plans for the Future

Both the continuation of our existing work programme and the exciting nature of the activities on which we are embarking, give us confidence that we can successfully address the challenges and opportunities which lie ahead.

We will continue to provide direct support to families caring for a child with a heart condition and will focus on helping those who are less confident and/or less able to get all the support their child needs by:

- ♥ expanding our Information Service, targeting in particular those patients and families who are less confident or able to get the support they need;
- ♥ developing both our Family Grant Programme and our equipment programme;
- ♥ growing our Family Activity Programme so that even more families can participate; and
- ♥ developing an activity programme aimed specifically at young people by working with and using the expertise of specialist organisations such as the Over the Wall Club.

We will continue to represent the views of parents of heart children and young people when working with national/strategic work groups. We also plan to expand our sphere of influence, particularly with politicians, policy makers and service providers in order to increase understanding of the key medical, social and educational issues affecting children with heart conditions.

We will continue to work with the Healthcare, Social Care and Education sectors and develop partnerships with other relevant organisations to ensure improvement in the overall quality of provision for children and young people with heart conditions. We will keep on working to achieve valuable outcomes in line with key reports and policies such as the Report of the Paediatric and Congenital Cardiac Services Review Group (Department of Health, 2003) and *Every Child Matters* and to provide advice which meets all the needs of children with heart conditions. We will also work to support and develop the capacity of our member charities.

We will strengthen Children's Heart Federation's funding base and move towards more sustainable sources of income by building staff and volunteer competencies in income generation and fee earning work and being open and flexible to different funding arrangements that complement Children's Heart Federation's purposes.

STATEMENT OF TRUSTEES RESPONSIBILITIES


The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:


.....
Julie Wootton – Trustee

Date 20/4/08

Report of the Independent Auditors to the Trustees of Children's Heart Federation

We have audited the financial statements of Children's Heart Federation for the year ended 31st May 2008 on pages nine to fifteen. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charity's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page seven.

We have been appointed as auditors under Section 43 of the Charities Act 1993 with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31st May 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Charities Act 1993; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Sheen Stickland WP

Sheen Stickland LLP
Chartered Accountants
Registered Auditors
7 East Pallant
Chichester, West Sussex

Date: 20/9/08

Children's Heart Federation

**Statement of Financial Activities
for the Year Ended 31st May 2008**

	Notes	Unrestricted funds £	Restricted funds £	2008 Total Funds £	2007 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	475,921	43,645	519,566	633,773
Investment income	3	<u>7,785</u>	<u>-</u>	<u>7,785</u>	<u>8,798</u>
Total incoming resources		<u>483,706</u>	<u>43,645</u>	<u>527,351</u>	<u>642,571</u>
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	88,360	-	88,360	200,098
Charitable activities					
Information and advice	5	102,600	-	102,600	164,801
Provision of medical equipment		2,059	34,302	36,361	51,165
Family support, Respite care & Holiday programme		76,015	-	76,015	163,750
Member group support		96,977	-	96,977	20,027
Public and Professional awareness		82,097	-	82,097	66,585
Governance costs	7	<u>16,786</u>	<u>-</u>	<u>16,786</u>	<u>18,405</u>
Total resources expended		<u>464,894</u>	<u>34,302</u>	<u>499,196</u>	<u>684,831</u>
Net incoming/(outgoing) resources	13	18,812	9,343	28,155	(42,260)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>127,941</u>	<u>51,586</u>	<u>179,527</u>	<u>221,787</u>
TOTAL FUNDS CARRIED FORWARD		<u>146,753</u>	<u>60,929</u>	<u>207,682</u>	<u>179,527</u>


All the activities of the charity are classed as continuing.


Children's Heart Federation

**Balance Sheet
At 31st May 2008**

	Notes	Unrestricted funds £	Restricted funds £	2008 Total Funds £	2007 Total funds £
FIXED ASSETS					
Tangible assets	10	14,914	-	14,914	23,053
CURRENT ASSETS					
Debtors	11	18,880	-	18,880	8,904
Cash at bank and in hand		<u>165,761</u>	<u>60,929</u>	<u>226,690</u>	<u>170,791</u>
		184,641	60,929	245,570	179,695
CREDITORS					
Amounts falling due within one year	12	(52,802)	-	(52,802)	(23,221)
NET CURRENT ASSETS					
		<u>131,839</u>	<u>60,929</u>	<u>192,768</u>	<u>156,474</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>146,753</u>	<u>60,929</u>	<u>207,682</u>	<u>179,527</u>
NET ASSETS					
		<u>146,753</u>	<u>60,929</u>	<u>207,682</u>	<u>179,527</u>
FUNDS					
Unrestricted funds	13			146,753	127,941
Restricted funds				<u>60,929</u>	<u>51,586</u>
TOTAL FUNDS					
				<u>207,682</u>	<u>179,527</u>

The financial statements were approved by the Board of Trustees 20/9/08 on and were signed on its behalf by:


 Julie Wootton - Trustee


 Richard Preedy - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Charities Act 1993 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legacies, donations, gifts and appeal funds are accounted for on a receipt basis.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

In accordance with SORP, resources have been classified by function.

Direct charitable expenditure comprises the cost of all resources utilised in the fulfilment of the objectives of the organisation.

Support costs are those incurred in connection with the management of the charity's assets as well as costs associated with the general running of the charity.

Fundraising and publicity costs are those incurred in seeking voluntary contributions for the charity.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office Equipment	-20% - 33% on cost
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Furniture and office equipment with an initial cost of less than £10,000 is written down completely in the year of purchase. This policy has been applied during the year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Children's Heart Federation

**Notes to the Financial Statements - continued
for the Year Ended 31st May 2008**

2. VOLUNTARY INCOME

	2008	2007
	£	£
Nominated Charity	71,314	156,394
Donations	448,252	455,379
Legacies	<u>-</u>	<u>22,000</u>
	<u>519,566</u>	<u>633,773</u>

3. INVESTMENT INCOME

	2008	2007
	£	£
Current asset investment income	<u>7,785</u>	<u>8,798</u>

4. COSTS OF GENERATING VOLUNTARY INCOME

	2008	2007
	£	£
Staff costs	62,880	91,983
Telephone and postage	3,414	4,822
Postage and stationery	15,386	-
Corporate Direct Fundraising	-	65,603
Other Fundraising costs/support costs	<u>6,680</u>	<u>37,690</u>
	<u>88,360</u>	<u>200,098</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Information and advice	83,704	18,896	102,600
Provision of medical equipment	36,361	-	36,361
Helpline support	29,291	46,724	76,015
Member group support	96,977	-	96,977
Public and Professional awareness	<u>82,062</u>	<u>35</u>	<u>82,097</u>
	<u>328,395</u>	<u>65,655</u>	<u>394,050</u>

Support costs comprise a percentage of rent, rates and other costs allocated on the basis of the number of staff engaged in the activity.

The charity allocates support salary costs across activities based on the estimated % time spent supporting each activity.

Children's Heart Federation

Notes to the Financial Statements - continued for the Year Ended 31st May 2008

6. SUPPORT COSTS

	Management £
Costs of generating voluntary income	6,680
Information and advice	18,896
Public and Professional awareness	35
Helpline support	<u>46,724</u>
	<u>72,335</u>

7. GOVERNANCE COSTS

	2008 £	2007 £
Staff costs	-	5,325
Trustees' expenses	2,219	2,905
Auditors' remuneration	1,850	1,803
Meetings	58	526
Other	1,256	4,269
Support Costs	<u>11,403</u>	<u>3,577</u>
	<u>16,786</u>	<u>18,405</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st May 2008 nor for the year ended 31st May 2007.

Trustees' Expenses

	2008 £	2007 £
Trustees' expenses	<u>2,219</u>	<u>2,905</u>

9. STAFF COSTS

	2008 £	2007 £
Wages and salaries	282,045	309,312
Social security costs	<u>24,469</u>	<u>29,683</u>
	<u>306,514</u>	<u>338,995</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Full time	6	6
Part time	<u>4</u>	<u>3</u>
	<u>10</u>	<u>9</u>

No employee was paid remuneration in excess of £60,000

Children's Heart Federation

**Notes to the Financial Statements - continued
for the Year Ended 31st May 2008**

10. TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1st June 2007	37,328
Additions	<u>2,485</u>
At 31st May 2008	<u>39,813</u>
DEPRECIATION	
At 1st June 2007	14,275
Charge for year	<u>10,624</u>
At 31st May 2008	<u>24,899</u>
NET BOOK VALUE	
At 31st May 2008	<u>14,914</u>
At 31st May 2007	<u>23,053</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Other debtors	<u>18,880</u>	<u>8,904</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	9,502	16,849
Taxation and social security	7,133	6,372
Other creditors	<u>36,167</u>	-
	<u>52,802</u>	<u>23,221</u>

Children's Heart Federation

**Notes to the Financial Statements - continued
for the Year Ended 31st May 2008**

13. MOVEMENT IN FUNDS

	At 1.6.07 £	Net movement in funds £	At 31.5.08 £
Unrestricted funds			
General fund	127,941	18,812	146,753
Restricted funds			
Restricted	-	9,145	9,145
Provision of Medical equipment	51,586	198	51,784
	<u>51,586</u>	<u>9,343</u>	<u>60,929</u>
TOTAL FUNDS	<u>179,527</u>	<u>28,155</u>	<u>207,682</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	483,706	(464,894)	18,812
Restricted funds			
Restricted	9,145	-	9,145
Provision of Medical equipment	34,500	(34,302)	198
	<u>43,645</u>	<u>(34,302)</u>	<u>9,343</u>
TOTAL FUNDS	<u>527,351</u>	<u>(499,196)</u>	<u>28,155</u>

14. RELATED PARTY DISCLOSURES

There were no significant transactions with related parties during the year.

Children's Heart Federation**Detailed Statement of Financial Activities
for the Year Ended 31st May 2008**

	2008	2007
	£	£
INCOMING RESOURCES		
Voluntary income		
Nominated Charity	71,314	156,394
Donations	448,252	455,379
Legacies	<u>-</u>	<u>22,000</u>
	519,566	633,773
Investment income		
Current asset investment income	<u>7,785</u>	<u>8,798</u>
Total incoming resources	527,351	642,571
RESOURCES EXPENDED		
Costs of generating voluntary income		
Salary Costs	59,539	81,865
Social security	3,341	10,118
Telephone and postage	3,414	4,822
Postage and stationery	15,386	-
Corporate Direct Fundraising	-	65,603
Other Fundraising costs	<u>6,680</u>	<u>37,690</u>
	88,360	200,098
Charitable activities		
Wages	225,878	142,606
Social security	21,127	11,176
Activities undertaken Directly	63,753	130,089
Depreciation of tangible fixed assets	10,623	-
Bank interest	<u>334</u>	<u>-</u>
	321,715	283,871
Governance costs		
Trustees' expenses	2,219	2,905
Salary costs	-	4,739
Social security	-	586
Auditors' remuneration	1,850	1,803
Meetings	58	526
Other	1,256	4,269
Support Costs	<u>11,403</u>	<u>3,577</u>
	16,786	18,405

This page does not form part of the statutory financial statements

Children's Heart Federation

**Detailed Statement of Financial Activities
for the Year Ended 31st May 2008**

	2008	2007
	£	£
Support costs		
Management		
Wages	-	80,102
Social security	-	7,803
Support Costs	<u>72,335</u>	<u>94,552</u>
	<u>72,335</u>	<u>182,457</u>
Total resources expended	499,196	684,831
	<hr/>	<hr/>
Net income/(expenditure)	<u>28,155</u>	<u>(42,260)</u>