

## 2022 Financial Report

### Net Deficit for the Year

The Net Deficit for the year is \$393,423, a decrease of \$572,492 on last year's surplus of \$179,069. The Net Surplus over the past 5 years has been within the range of \$148,280 to \$328,655

**\$393,423**  
**Net Deficit**

### Total Assets

Assets for Heart Kids NZ Inc total \$2,110,871 a decrease of \$415,316 from \$2,526,187 last year.

**\$2,110,871**  
**Total Assets**

### Total Liabilities

Liabilities for Heart Kids NZ Inc total \$396,919 a decrease of \$19,195 from \$416,114 last year

**\$396,919**  
**Total Liabilities**

### Total Equity

Total Heart Kids NZ Inc Equity (Assets less Liabilities) amounts to \$1,713,952 a decrease of \$396,121 from \$2,110,073 last year

**\$1,713,952**  
**Total Equity**

## ***Tēnā Koutou Katoa***

Noted on the next pages are a summary of the financial results for the year ending 30 November 2022 prepared from the financial statements that have been audited.

### Financial Statements

During 2022, MTM Accounting were, and continue to be, contracted to deliver our accounting service, preparation of the year-end financial statements and participation in the audit process with BDO. MTM Accounting have also strengthened our financial internal controls and report to the Board monthly.

### **Operating Performance**

#### Operating Revenue






The Board would like to take the opportunity to thank all those Organisations (Corporate and Funding Providers) and individuals who have supported Heart Kids NZ Inc. Heart Kids NZ Inc does not receive any government funding and is dependent on this ongoing support.

The table below provides a breakdown of the Revenue for Heart Kids NZ Inc for the past two years and the percentage make up of each revenue stream against total income

Overall total income has decreased by 13.4% from 2021 as we see the effect of Covid-19 on our event and fundraising activities, and without the benefit of the Government Covid-19 wage subsidies we had in 2021.

	2022		2021	
Merchandise Sales	11,539	0.43%	13,638	0.44%
Interest Income	10,361	0.38%	5,665	0.18%
Donations	269,230	9.99%	329,986	10.60%
Grants	416,495	15.45%	357,630	11.49%
Bequests	127,694	4.74%	20,050	0.64%
Events	199,056	7.38%	308,875	9.92%
Fundraising	1,648,005	61.13%	1,769,590	56.84%
Covid-19 Subsidies	8,036	0.30%	301,994	9.70%
Other Income	5,613	0.21%	5,585	0.18%
<b>Total Revenue</b>	<b>2,696,029</b>		<b>3,113,013</b>	

The key revenue highlights for the 2022 year are:

-  **Grant Income** has increased from \$358k to \$416k with grants received from some new organisations.
-  **Bequests** have increased from \$20k to \$128k due to a large one-off bequest received during this year.
-  **Community Events, Donations and Fundraising** decreased \$221k. Multiple events across every region were cancelled because of Covid, and individual donations reduced, as discretionary income was impacted with the cost-of-living increases.
-  **Corporate Donations and Fundraising** decreased \$71k. This was primarily due to the change in Z Energy's Good in the Hood programme.
-  **Covid-19 Wage Subsidy Grants** has decreased this year by \$294k.

### Total Expenses

Total expenses have increased by 5.3% whereas revenue decreased by 13.4%.

This is mainly attributable to personnel costs increasing by \$181k (13%) as we filled vacant roles and increased head count by one as budgeted. Costs associated with fundraising also increased.

### **Balance Sheet**

	<b>2022</b>	<b>2021</b>
Current Assets	1,985,468	2,463,214
Current Liabilities	396,919	416,114
<b>Current Net Position</b>	<b>1,588,549</b>	<b>2,047,100</b>
Non Current Assets	125,403	62,973
<b>Total Equity</b>	<b>1,713,952</b>	<b>2,110,073</b>

The balance sheet continues to show a strong stable position with the organisation placed to weather any negative impact going forward into the future.

### Current Assets

The Current Assets have decreased since last year as funds have been used to fund operations this year.

### Current Liabilities

The Current Liabilities have decreased from last year with an increase in the Accounts Payable, and Employee Entitlements. There is a decrease in Revenue Received in Advance as the substantial grant received just prior to 2021 year-end has been utilised.

### **Conclusion**

Whilst 2022 has been another financial challenging year due to Covid 19 from an operating perspective, Heart Kids NZ Inc is in a strong financial position.

Ngā mihi

Robyn Wickenden  
Chair Finance, Risk & Audit Sub-committee