

HEART N SOUL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

MYRUS SMITH
Chartered Accountants
Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

HEART N SOUL

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HEART N SOUL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reference and Administrative Details

Charity name: Heart n Soul
Charity number: 1023467
Company number: 02830733

Registered / Principal office:

The Albany
Douglas Way
Deptford
London
SE8 4AG

Trustees:

Kate Linsky, Chair
Mark Burgess, Vice-Chair
Simon Platz, Treasurer
Shalim Ali
Lilly Cook
Pino Frumiento
Hannah Kent
Michael Price
Tim Adnitt
Sue Williams

Artistic Director / Chief Executive

Mark Williams MBE

Auditor

Myrus Smith Chartered Accountants
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

HEART N SOUL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Bankers

HSBC
275 Greenwich High Road
Greenwich
London
SE10 8NF

Objectives and activities:

Who we are

Heart n Soul is an award winning creative arts company based in London.

We believe in the talents and power of people with learning disabilities and autistic people. We provide opportunities for people to discover, develop and share this power and talent as widely as possible.

Our Vision: We want to create a more fun, open, creative and equal world for everyone. Our vision is of people with learning disabilities living full and equal lives with independence, freedom and pride.

Our Values: Fun, Kind, Quality, Equal, Diverse, Change, Real, Inventive.

What we do

We offer opportunities for people to take part in creative activities, train in a new skill or develop their artistic talents:

- **Art** We create opportunities for artists to collaborate and to create and share their work, live, recorded, digitally and on-line
- **Taking Part** We run high quality creative arts activities for people with learning disabilities
- **Sharing** We share our art and what we do with as many people as possible

In forming our objectives, the Trustees have given due regard to the Charity Commission's guidance on public benefit.

HEART N SOUL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

How we measure success

We work towards the following results:

- People with learning disabilities have more choice, are more connected, have more confidence and work towards more independent lives.
- Artists create vibrant and relevant work. This has life changing and life affirming value for everyone.
- People are inspired by the power and talent of people with learning disabilities.

We assess progress through a range of criteria, such as:

- People feel more confident and/or happy
- People gain new skills and knowledge
- Work is experienced by diverse people both in the local community and in the mainstream
- Organisations build on Heart n Soul's ideas and approach

Our Approach

At Heart n Soul we put people with learning disabilities at the heart of everything we do. People with and without disabilities collaborate, going on a creative journey together.

We believe in the value for everyone of being present, open, creative, artist-led and loving.

We are inspired by and collaborate with many artists across varied art forms and connect our activities together.

We share with others widely so that people realize the benefits that our artists' creative vision has for everybody.

We are continuously flexible and responsive.

We have a lot of fun.

Our way of working has grown over thirty-four years of working with people with learning disabilities and autistic people to make outstanding art and change happen.

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We work with partner organisations to achieve our goals so that we may share our vision widely and in a sustainable way.

Beneficiaries are aged between 10 and 65, and over 95% have disabilities ranging from mild or moderate to severe and complex. Almost 50% are from black, minority and ethnic communities. Many are subject to multiple disadvantages including social isolation and economic hardship, and can be highly vulnerable. We work with people who live near to our Deptford base in Lewisham and in adjacent boroughs as well as across London, nationally and internationally.

Volunteers both with and without learning disabilities support participants to take part in creative sessions and are part of front of house teams at events, providing information to the public.

Structure, governance and management

Heart n Soul is a company limited by guarantee and a registered charity. The governing document is a Memorandum and Articles of Association dated 10 February 2011. We receive under a quarter of our income from Arts Council England. We raise the remainder from grants from charitable trusts and foundations, donations from individuals, ticket sales and other earned income.

The Board of Trustees meets quarterly, its work supplemented by sub-committees. A staff team of 12 works closely with a pool of around 100 artists, practitioners and experts. Learning disabled and autistic people are involved at every level of our organisation (from Board level through to steering teams, planning and strategic thinking), working with us to develop our plans, priorities and to monitor and give feedback on our programmes. This demonstrates our commitment to quality, integrity and diversity, ensuring that we deliver programmes that touch and change peoples' lives.

Trustees are selected to the Board through a process of election by the trustees. They receive a personal and detailed induction by the Chair, Chief Executive and Associate Director.

The Finance Sub-Committee meets every quarter to oversee the financial position and to report on the latest quarterly accounts. Other sub-committees, such as the Fundraising Action Group, or the Strategy Group, convene as and when they are required.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Personnel Sub-Committee is responsible for the remuneration policy of key management. As per our policy, remuneration of staff is set high enough to allow Heart n Soul to recruit and keep excellent staff. The salary of the Artistic Director/CEO is reviewed each year in February and may be adjusted for performance or inflation. A comparison with rates in our sector for similar roles is also undertaken. The Personnel Sub-Committee makes a recommendation to the Board, who make the final decision.

Heart n Soul work with a small team of full and part time staff who are supported by associates, freelancers and volunteers.

Achievements and performance

Over the 12 months since our last report, Heart n Soul artists and participants we work with, have flourished in unexpected ways despite the challenges of the global pandemic emergency (COVID-19).

Heart n Soul has continued to deliver an extensive programme of creative activities and artist development opportunities for people with learning disabilities and autistic people. The year has seen our programmes transformed onto digital platforms that connect with our community in new ways.

We won the Gulbenkian Award for Civic Arts Organisations in March 2021. The award recognised the innovation and depth that Heart n Soul deployed in supporting its community and artists through the Covid-19 pandemic. The Gulbenkian Foundation said that *'Heart n Soul are rewriting the vision for a cultural organisation and challenging conventional ways of working'*.

Regular programmes such as Do Your Own Thing, Allsorts and Heart n Soul Choir have continued online with new webpages co-designed by the community attending these sessions. We've worked with our artists to establish new ways to be creative and to make work remotely.

We reached 170 unique individuals and generated 2,865 attendances across our Taking Part opportunities. Sixteen artists benefited from regular one to one sessions for a total of 206 sessions. We reached 50,586 people digitally. We gave work to 48 freelance creatives.

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In November 2020, we held an online series of events in lieu of the Beautiful Octopus Club, our annual inclusive club night. Those events were co-produced by 25 adults with learning disabilities and attracted over 700 participants.

The transformation of our regular programme to online platforms was a result of listening to and connecting with our community, and adapting to the situation we were faced with, all the time looking for new opportunities and ways of being, doing, sharing, and learning. We have been overwhelmed by the response to our digital offer, feeling and experiencing the evidence of the strength and significance of Heart n Soul as a creative community and how important this has been in combatting the loneliness and isolation many people have been dealing with. People who have been reluctant, or thought incapable of using technology in the past, have been supported to access the knowledge, understanding and when necessary, the hardware to remove these barriers.

The movement towards more digital activity will continue beyond the pandemic as we build on the successes of the past 12 months.

We completed our residency at the Wellcome Hub. Three hundred people with and without disabilities explored their experiences as humans and members of society together and in depth in a radically different way. The Heart n Soul community was accepted and recognised within in a prestigious research organisation. Wellcome fed back to us the impact of the residency on them.

'Heart n Soul's residency has had a significant impact on Wellcome as host organisation. Heart n Soul's residency has engaged with an increasingly important topic for Wellcome: the culture in which research is done. It is here that their residency is likely to have lasting impact. Born out of a principle that everyone works together as equals, which they have developed within their arts and cultural practices, Heart n Soul have helped articulate radical but authentic approaches to valuing the research role of what is often described as 'lived experience'.

We secured a new grant from the Health Foundation for a major two-year project, Believe In Us. Believe In Us is being led by Heart n Soul in partnership with five other organisations including NHS Oxleas and the Royal Borough of Greenwich. Three learning disabled/autistic adults, David McNicholas, Robyn Steward and Pino Frumiento are now on the core team alongside Sarah McClinton, Director of Public Health in Greenwich, Sandra Baum, Clinical Director Adult Learning Disabilities NHS Oxleas Trust, Professor Mick Grierson, Research Leader at UAL Creative Computing Institute and the Co-Directors of the project Mark Williams and Dr Dora Whittuck, a Senior Clinical

HEART N SOUL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Psychologist. We will be exploring the relationship between people with learning disabilities and autistic people and healthcare professionals and working together to redesign healthcare services. A creative approach is underpinning the goals of this project.

The year 2021-2022 thus opened with exciting new opportunities for Heart n Soul, building on the success of the past year and our Hub legacy.

Diversity

We continue to work towards ceding leadership to people with learning disabilities and autistic people. Heart n Soul created two new roles for people with learning disabilities/autistic people in the Deptford team, one being Communications Assistant, and the other one Taking Part Assistant. We now have three learning disabled/autistic staff members. We also brought on board two new disabled Associate Artists, Robyn Steward, and Catherine Long. We took the decision that we needed the lived experience guidance and expertise of two experienced disabled artists to help guide us through the Covid challenges. Catherine and Robyn have helped us navigate opportunities by exploring a whole new way of engaging with our community.

Fundraising

While the main share of our funding is from grants from trusts and foundation, and the Arts Council, we made progress this year in developing new income streams. The donations raised were nearly double our initial target. Heart n Soul staff, individuals and organisations came forward with creative ways to raise funds for our work.

- Brick Brewery branded a new beer with an artwork from Heart n Soul artist Aysen, and donated a share of the proceeds to Heart n Soul
- We took part in the Solidarity 2020 campaign, selling prints from famous photographers, generating £4,041.
- Native Instruments raised £18,265 for Heart n Soul.
- Heart n Soul supporters raised £526 via Facebook donations.

We warmly thank all who dedicated their time and energy to raising funds for Heart n Soul.

Thank you to Kate and Colin Linsky, Simon Platz, Hannah Kent and all of our other regular donors.

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Thank you to all our funders who continued to trust and support Heart n Soul through this most challenging year:

Arts Council England
BBC Children in Need
Co-op Local Community Fund
Daytrippers
Deptford Challenge Trust
Esmée Fairbairn Foundation
Help Musicians
Jack Petchey Foundation
Jerwood Arts
John Homiman's Children's Trust
L&Q Foundation
London Borough of Lewisham
Paul Hamlyn Foundation
PRS Foundation
Rix-Thompson-Rothenberg Foundation
Sir William Boreman's Foundation
The BRIT Trust
The D'Oyly Carte Charitable Trust
The Edward Gostling Foundation
The Foyle Foundation
London Community Response Fund
The Margaret Dobson Further Education Trust
The Mercers' Company
The National Foundation for Youth Music
The National Lottery Community Fund
True Colours Trust
Wellcome Trust

Financial review

The principal risk and uncertainty facing Heart n Soul is the more challenging fundraising environment. Trusts and Foundations are generally giving fewer grants of lower value. Despite this, Heart n Soul income has held up well. To manage this risk we have invested in capacity and activities to raise individual donations, as well as to investigate corporate funding opportunities. The Trustees confirm that the major risks have been reviewed and that systems and procedures have been established to mitigate those risks.

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We are also continuing to maintain close and responsive relationships with our major Trust and Foundation funders and Arts Council England; and to maintain tight management of expenditure. Trustees are focused on our finding new ways to achieve impact that call less on funds.

We started the financial year 2021-22 in a very strong position, with 90% of our funding confirmed.

Reserves policy

The trustees have decided to review the policy on an annual basis, ensuring that sufficient funds are in place to account for wind-up costs of the organisation, contingency costs and a buffer for any unexpected expense. The current level of free reserves, being general funds less unrestricted fixed assets at 31 March 2021 is £294,568 (2020: £228,165).

Trustees' responsibilities statement

The trustees (who are also directors of Heart n Soul for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


Auditors

The auditors, Myrus Smith, have expressed their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees on 2 December 2021 and signed on its behalf by:


S platz (Dec 3, 2021 16:20 GMT)

Simon Platz
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

HEART N SOUL

Opinion

We have audited the financial statements of Heart N Soul (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

HEART N SOUL

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

HEART N SOUL

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

HEART N SOUL

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor
Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

6 December 2021

HEART N SOUL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income					
Donations and grants	2	449,035	899,576	1,348,611	1,318,210
Charitable activities	3	25,011	-	25,011	46,865
Investments	4	216	-	216	308
Total		<u>474,262</u>	<u>899,576</u>	<u>1,373,838</u>	<u>1,365,383</u>
 Raising funds	5	47,780	-	47,780	41,416
Charitable activities	6	358,644	910,076	1,268,720	1,244,874
Total		<u>406,424</u>	<u>910,076</u>	<u>1,316,500</u>	<u>1,286,290</u>
 Net income / (expenditure)	10	67,838	(10,500)	57,338	79,093
 Transfers between funds	17	-	-	-	-
 Net movement in funds		<u>67,838</u>	<u>(10,500)</u>	<u>57,338</u>	<u>79,093</u>
 Reconciliation of funds					
Balance brought forward	17	237,136	10,500	247,636	168,543
Balance carried forward	17	<u>£304,974</u>	<u>£Nil</u>	<u>£304,974</u>	<u>£247,636</u>

The Statement of Financial Activity includes all recognised gains and losses.

All income and expenditure derives from continuing activities.

The notes form part of the financial statements.

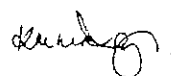
HEART N SOUL
(A Company Limited by Guarantee and Not Having a Share Capital)
Registered Charity Number 1090781, Company Number 4360133

BALANCE SHEET AS AT 31 MARCH 2021

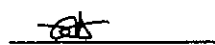
	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible Fixed Assets	13	10,406	8,971
CURRENT ASSETS			
Debtors	14	131,244	145,958
Cash at Bank and in Hand		322,918	282,434
		<u>454,162</u>	<u>428,392</u>
CREDITORS: Amounts falling due within one year	15	<u>159,594</u>	<u>189,727</u>
NET CURRENT ASSETS		<u>294,569</u>	<u>238,665</u>
NET ASSETS	18	<u>£304,974</u>	<u>£247,636</u>
FUNDS :			
Restricted Funds	17	-	10,500
Unrestricted Funds	17	<u>304,974</u>	<u>237,136</u>
TOTAL FUNDS		<u>£304,974</u>	<u>£247,636</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised by the Trustees on 2 December 2021 and signed on its behalf by:



Kate Linsky
Chair


S platz (Dec 3, 2021 16:20 GMT)

Simon Platz
Treasurer

The notes form part of the financial statements.

HEART N SOUL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net movement in funds per Statement of Financial Activities	57,338	79,093
Adjustments for:		
Depreciation	6,167	5,039
Losses on disposal of tangible fixed assets	490	-
(Increase)/decrease in debtors	14,714	25,987
Increase/(decrease) in creditors	(30,133)	1,998
Net cash provided by/(used in) operating activities	<u>48,576</u>	<u>112,117</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	(8,092)	(5,492)
Net cash provided by/(used in) investing activities	<u>(8,092)</u>	<u>(5,492)</u>
Increase/(decrease) in cash	40,484	106,625
Cash and cash equivalents brought forward	282,434	175,809
Cash and cash equivalents carried forward	<u><u>£322,918</u></u>	<u><u>£282,434</u></u>
Analysis of cash and cash equivalents	2021	2020
	£	£
Cash at bank and in hand	<u><u>£322,918</u></u>	<u><u>£282,434</u></u>

The notes form part of the financial statements.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable;
- the amount can be measured reliably.

Grant income is deferred when there is a donor imposed or implied condition specifying the time period over which the income may be expended or in accordance with agreed budgets.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary donations and grants
- Expenditure on charitable activities which comprises the costs of running the various artistic activities for the charity's beneficiaries including staging concerts, stage productions, art exhibitions, educational programmes, general and specialised advice, advocacy and training.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES / cont

Expenditure recognition /cont

Expenditure includes those costs of a direct nature which can be allocated to a specific activity and also indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £800 are capitalised. Depreciation is provided so as to write off the cost of each asset, less its residual value, over its estimated useful life at the following annual rates:

Technical equipment	25% straight line
Office equipment	25% straight line

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised expenditure.

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. DONATIONS AND GRANTS	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Multi-disciplinary arts	115,624	65,415	181,039	217,837
Taking part	327,319	333,342	660,661	596,822
The Hub	-	497,819	497,819	499,618
Sharing	6,092	3,000	9,092	3,933
	<u>£449,035</u>	<u>£899,576</u>	<u>£1,348,611</u>	<u>£1,318,210</u>

Of the £1,318,210 recognised in 2020, £415,194 was unrestricted funds and £903,016 was restricted funds.

Included within the Hub income of £497,819 is a donation in kind valued at £143,375, this being the estimated cost of services paid for by Wellcome Trust in respect of Heart n Soul at The Hub.

Additionally, Heart n Soul has free use of the space at The Hub, however, due to the fact that the space is shared with other organisations to a varying degree, it is not possible to reliably estimate the value of this gift in kind.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Box office fees and commissions	25,011	-	-	46,865
	<u>£25,011</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£46,865</u>

All of the £46,865 recognised in 2020 was unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Bank interest	<u>£216</u>	<u>£Nil</u>	<u>£216</u>	<u>£308</u>

All of the £308 recognised in 2020 was unrestricted funds

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. COST OF RAISING FUNDS	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
Fundraising consulting	<u>£47,780</u>	<u>£Nil</u>	<u>£47,780</u>	<u>£41,416</u>

All of the £41,416 expenditure recognised in 2020 was charged to unrestricted funds.

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staffing Costs £	Other Direct Costs £	Support Costs (Note 7) £	Total 2021 £	Total 2020 £
Multi-disciplinary arts	55,139	84,794	17,294	157,227	181,844
Taking Part	242,790	207,709	79,259	529,758	481,948
The Hub	178,934	369,431	24,841	573,206	577,629
Sharing	6,053	581	1,895	8,529	3,453
	<u>£482,916</u>	<u>£662,515</u>	<u>£123,289</u>	<u>£1,268,720</u>	<u>£1,244,874</u>

Of the £1,244,874 expenditure recognised in 2020, £351,398 was charged to unrestricted funds and £893,476 was charged to restricted funds.

Included within other direct costs of The Hub are donated services valued at £143,375. This being the estimated loss of services paid for by Wellcome Trust in respect of Heart n Soul at The Hub.

7. SUPPORT COSTS	General Office £	Premises £	Governance (Note 8) £	Total 2021 £	Total 2020 £
Multi-disciplinary arts	11,235	5,636	423	17,294	18,341
Taking Part	51,886	25,510	1,863	79,259	70,109
The Hub	17,560	5,908	1,373	24,841	29,280
Sharing	1,231	618	46	1,895	1,461
	<u>£81,912</u>	<u>£37,672</u>	<u>£3,705</u>	<u>£123,289</u>	<u>£119,191</u>

8. GOVERNANCE COSTS

	2021 £	2020 £
Auditors' remuneration and related costs	3,285	3,205
AGM and Trustees' meetings	420	845
	<u>£3,705</u>	<u>£4,050</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. LOCAL GOVERNMENT AND HOUSING ACT 1989

The company received financial assistance from local authorities. As required by the Local Government and Housing Act 1989 the following information is given.

£53,600 was recognised as grant income from the London Borough of Lewisham. These funds have been fully expended.

10. NET INCOME/(EXPENDITURE) FOR THE YEAR	2021	2020
Net income/(expenditure) is stated after charging:		
Operating lease rentals	£28,848	£32,589
Depreciation of tangible fixed assets	£6,167	£5,039
Auditors remuneration – Audit services	£3,250	£3,205
	<u> </u>	<u> </u>
 11. STAFF COSTS	 2021	 2020
Staff costs were as follows:	£	£
Wages and salaries	412,301	398,883
Social Security costs	33,075	33,323
Pension costs	29,824	31,046
Staff training and recruitment	3,711	5,599
Other costs	4,005	11,440
	<u> </u>	<u> </u>
	£482,916	£480,291
	<u> </u>	<u> </u>

One employee received total employee benefits (excluding employers national insurance and employer pension contributions) of more than £60,000 during 2021 (2020: 1), within the band £60,000 to £70,000.

Total employee benefits received by key management amounted to £75,542 (2020: £73,898). Under FRS 102, employee benefits includes gross salary, benefits in kind, employers national insurance and employers pension contributions.

The average number of full-time equivalent employees during the year was 12.2 (2020: 12.5). The average monthly number of employees was 15 (2020: 15.)

12. DIRECTORS / TRUSTEES REMUNERATION AND EXPENSES

The trustees give their time to the charity voluntarily and receive no remuneration for their role as trustees.

Travel and subsistence costs of £20 (2020: £725) were reimbursed to one (2020: four) trustee(s). The total of donations received without conditions by the charity from trustees amounted to £4,120 (2020: £90).

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS

	Technical Equipment £	Office Equipment £	Total £
Cost			
Balance at 1 April 2020	26,630	52,020	78,650
Additions	-	8,092	8,092
Disposals	-	(14,534)	(14,534)
	<u>26,630</u>	<u>45,578</u>	<u>72,208</u>
Balance at 31 March 2021	26,630	45,578	72,208
Depreciation			
Brought forward at 1 April 2020	25,399	44,280	69,679
Charge for year	769	5,398	6,167
Eliminated on disposal	-	(14,044)	(14,044)
	<u>26,168</u>	<u>35,634</u>	<u>61,802</u>
Balance at 31 March 2020	26,168	35,634	61,802
Net book value			
As at 31 March 2021	<u>£462</u>	<u>£9,944</u>	<u>£10,406</u>
As at 31 March 2020	<u>£1,231</u>	<u>£7,740</u>	<u>£8,971</u>

14. DEBTORS

	2021 £	2020 £
Trade debtors	2,300	4,518
Accrued income	113,718	119,401
Other debtors	6,126	4,599
Prepayments	9,100	17,440
	<u>£131,244</u>	<u>£145,958</u>

15. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	22,695	12,042
Social security and other taxes	2,759	2,900
Other creditors	2,882	5,914
Accruals	43,860	35,700
Deferred income (see note 16)	87,398	133,171
	<u>£159,594</u>	<u>£189,727</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. DEFERRED INCOME	Balance brought forward	Additions in year	Released To Income	Balance Carried Forward
Grants and donations	£133,171	£87,398	£(133,171)	£87,398

Deferred income reflects grant income received in advance for the following financial year, to be expended in accordance with specified or implied timeframes and agreed budgets

17. MOVEMENT IN FUNDS	Balance At 1 April 2020 £	Movement in Resources Income £	Expenditure £	Transfers £	Balance At 31 March 2021 £
Unrestricted funds					
General funds	237,136	474,262	406,424	-	304,974
	<u>237,136</u>	<u>474,262</u>	<u>406,424</u>	<u>-</u>	<u>304,974</u>
Restricted funds					
Multi-disciplinary arts	-	65,415	65,415	-	-
Taking Part	10,500	333,342	343,842	-	-
The Hub	-	497,819	497,819	-	-
Sharing	-	3,000	3,000	-	-
	<u>10,500</u>	<u>899,576</u>	<u>910,076</u>	<u>-</u>	<u>-</u>
Total funds	<u>£247,636</u>	<u>£1,373,838</u>	<u>£1,316,500</u>	<u>£Nil</u>	<u>£304,974</u>

The Multi-disciplinary Arts Fund is for theatre, music, live art, visual art, films and dance both filmed and performed in venues in London, nationally and internationally.

The Taking Part Fund (including clubs) provides resources for artistic input into a number of participatory events in London and to make spaces where adults and young people are able to express themselves.

The Hub Fund provides a research space where people from different backgrounds and expertise collaborate on projects exploring medicine, life and art.

The Sharing Fund provides resources to share the approach, expertise and experience of Heart n Soul with other voluntary, community and arts organisations.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. MOVEMENT IN FUNDS/cont'd

Comparative information for the net movement in funds is as follows

	Balance At 1 April 2019 £	Movement in Resources		Transfers	Balance At 31 March 2020 £
		Income £	Expenditure £	£	
Unrestricted funds					
General funds	167,583	462,367	392,814	-	237,136
	<u>167,583</u>	<u>462,367</u>	<u>392,814</u>	<u>-</u>	<u>237,136</u>
Restricted funds					
Multi-disciplinary arts	-	91,512	91,512	-	-
Taking Part	960	309,386	299,846	-	10,500
The Hub	-	499,618	499,618	-	-
Sharing	-	2,500	2,500	-	-
	<u>960</u>	<u>903,016</u>	<u>893,476</u>	<u>-</u>	<u>10,500</u>
Total funds	<u>£168,543</u>	<u>£1,365,383</u>	<u>£1,286,290</u>	<u>£Nil</u>	<u>£247,636</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	10,406	-	10,406
Current assets	341,849	112,313	454,162
Current liabilities	(47,281)	(112,313)	(159,594)
	<u>£304,947</u>	<u>£Nil</u>	<u>£304,974</u>

Comparative information for the analysis of net assets between funds is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	8,971	-	8,971
Current assets	270,530	157,862	428,392
Current liabilities	(42,365)	(147,362)	(189,727)
	<u>£237,136</u>	<u>£10,500</u>	<u>£247,636</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Amounts due within:		
One year	10,037	9,739
One to five years	11,349	14,355
	<u>£21,386</u>	<u>£24,094</u>

20. CONTINGENT ASSETS

Total grant funding awarded as at 31 March 2021 but not yet received and recognised as income due to the recognition criteria not being met amounts to £1,261,000.

21. COMPANY STATUS AND TAXATION

The charity is a company limited by guarantee, registered in England and Wales and has no share capital. The liability of each member is restricted if the guarantee is limited to £1. The address of the registered office is given in the Reference and Administrative Details on page 2.

As a registered charity, Heart n Soul is exempt from taxation on its charitable activities.