

HEART N SOUL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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

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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, 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.

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.

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- 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-five years of working with people with learning disabilities and autistic people to make outstanding art and change happen.

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.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

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 staff, 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.

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

Heart n Soul further developed its award-winning COVID-19 response as we transition from the pandemic into our new and improved normal. We have continued to deliver an extensive programme of creative activities for people with learning disabilities and to mentor individual artists and groups while adapting to fast-changing COVID restrictions.

This year, we were able to respond quickly to changing restrictions and enrich our digital offer. As in-person events became possible, we developed what we call 'hybrid' events, held live but designed to allow people at home to join in fully via digital interactions. It has been a transformational period for us, and we emerge energised, having continued to flourish through the adverse circumstances.

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Between April 2021 and March 2022, we delivered 191 creative group sessions across our programme, increasing the number of sessions we delivered last year by 160%. 152 unique individuals were reached through our participatory activities. In 2021, when Heart n Soul was almost entirely online, we were able to provide online activities almost every day. We hosted over 4,895 participatory attendances, a 64% increase from the previous year, and three times as many one-on-one mentoring sessions as in pre-pandemic years.

We attracted an audience of 13,116 people (2,735 in person and 10,381 through online interactions) and an estimated 15,000 radio listeners for our radio shows. Our online products, both live and recorded, generated 22,458 views. The House of Do Your Own Thing, an exhibition curated by young people, at South London Gallery attracted 700 visitors. We also published a book of poetry and 13 creative packs.

In the 'real world', we showed off the bold designs created by our graphic artists to over 8,000 visitors to the market at the Women of the World Festival; held several album launches; supported inclusive consciousness pioneer Robyn Steward in her residency at Dalston's Café Oto; and started to workshop live music in our artist development programme.

We held our annual Squidz Club for young people online in June 2021, reaching an audience of 238. We piloted the use of Mixcloud to stream the event to a broader audience and as a more accessible option for those who didn't want to or couldn't attend on Zoom. The annual Beautiful Octopus Club took place in November as a festival of online and hybrid events featuring many of Heart n Soul's headline performers. Each was co-hosted by a partner venue, which allowed us to either make use of their existing digital platforms or introduce them to online streaming through our own technology. The final event of the season was the Lockdown Mixtape 2, recorded at Battersea Arts Centre, at which D.M.S. and bands Too Hot for Candy and Electric Fire performed sets. The event was also a tribute to Lizzie Emeh, a singer and songwriter who was part of Heart n Soul for over 20 years and passed away unexpectedly on the 5th of November 2021.

Artist development

We continued to nurture the talents and career development of learning-disabled artists through bespoke input.

Among the most exciting artists making work this year are:

- Young multimedia star D.M.S. (Danielle), who says that making music helped her to stay happy during lockdown, won Youth Music's 2021 Music Video of the Year Award for the infectious 'Can't Stop Drawing'.
- The work of the multi-talented poet, singer-songwriter and guitarist Sam Castell-Ward focuses on inequality and unfairness and resonates with emotional impact whether read, heard, or experienced live. The launch for his latest EP, 'Trapped in this Life', was held at Music Room London in April 2022 as a hybrid event. The five tracks are gradually being released on YouTube, starting with 'I Focus my Energy'.

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Supported by the Health Foundation, Believe In Us started in 2021. It is ground-breaking project that explores the relationship between people with learning disabilities and autism and healthcare professionals at NHS Oxleas and the Royal Borough of Greenwich's Health and Adult Services. It is a fully equal, co-led initiative with the aim of building better relationships, sharing knowledge and working together to redesign services. Our co-collaborators are the Royal College of Art's inclusive design team, the University of Kent's Tizard Centre and the University of the Arts' Creative Computing Institute. After a year of listening and building trust, learning-disabled people and health and care workers are sharing knowledge and making decisions about new ways of delivering health and social care together.

Diversity

An important theme of this past year has been to devolve power and invert the pyramid of top-down organisational structure. Fifty per cent of our trustees are disabled, a quarter of staff have learning disabilities or are autistic and half our associate artists are disabled, proportions that are increasing. This structural reconfiguration is essential to our identity, but it is only part of the story. We want to weave shared ownership and experience into all our practices at all times, whether creative, cultural or organisational.

With the help of research methods that we innovated at the Hub, we have evolved new ways of talking among ourselves, in all our diversity, using techniques including drawing, music jams, design jams and online 'tea parties' planned and hosted by both disabled and non-disabled people. Our ongoing internal conversation is not only about decision-making but recognising the value of making space for people to ask questions, talk about what is important to them and imagine new ways of seeing, relating, being, doing and learning. This is particularly important given the ravages of the pandemic on the lives and mental health of the people we work with, many of whom experienced acute isolation, erosion of rights and a reduction in care. More than ever, our community needs to feel believed in, trusted and empowered.

What's Next

Over the year, we have gradually been evolving a new long-term vision in a process called What's Next?, co-led by learning-disabled and autistic artists and board members. It started off as a freeform conversation and evolved organically through our uniquely creative means of engagement (including drawing, online 'tea parties', radio sessions and a music jam).

Artists and board members have now coalesced what emerged into three clear principles to guide our vision and plans over the next four years. They would like to:

- Create: Be creative, explore and share their talents in ways that they choose
- Connect: Make new friends and connections in Heart n Soul, the local community and wider society

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- Change: Use art and creativity to make change in areas they choose, becoming leaders alongside others inside and outside Heart n Soul

Create, Connect and Change now form the backbone of our strategic plan.

Fundraising

We would like to address sincere thanks to all our funders who continued to trust and support Heart n Soul.

Arts Council England
Calouste Gulbenkian Foundation (UK Branch)
City Bridge Trust
Co-op Local Community Fund
Esmée Fairbairn Foundation
Fidelity UK Foundation
Health Foundation
John Ellerman Foundation
John Horniman's Children's Trust
L&Q Foundation
London Borough of Lewisham
Paul Hamlyn Foundation
PRS Foundation
Rix-Thompson-Rothenberg Foundation
The Edward Gostling Foundation
The Mercers' Company
The National Foundation for Youth Music
The National Lottery Community Fund
True Colours Trust
Wellcome Trust

Many generous supporters made donations, undertook sporting challenges or organised fundraising events. Collectively they raised £22,997. We would like to thank FSB Insurance Services, Brick Brewery, the University of Westminster Event Management students, Amy Pennington, Rebecca Carter, Asa Taulbut, Abi O'Neil, Meg Beaumont. We would also like to thank Salesforce for their donation.

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 2022-23 in a strong position, with 74% 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 2022 is £304,034 (2021: £294,568).

Trustees' responsibility statement

The trustees (who are also directors of Heart N Soul for the purposes of company law) are responsible for preparing the Trustees' 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 those 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.

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.

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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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

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.....12 12.....2022 and signed on its behalf.



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 2022 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 2022, 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:

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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:

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- 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

13th December 2022

HEART N SOUL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income					
Donations and grants	2	481,678	602,116	1,083,794	1,348,611
Charitable activities	3	17,251	-	17,251	25,011
Investments	4	385	-	385	216
Total		<u>499,314</u>	<u>602,116</u>	<u>1,101,430</u>	<u>1,373,838</u>
 Raising funds	5	52,320	-	52,320	47,780
Charitable activities	6	444,115	595,716	1,039,831	1,268,720
Total		<u>496,435</u>	<u>595,716</u>	<u>1,092,151</u>	<u>1,316,500</u>
 Net income / (expenditure)	10	2,879	6,400	9,279	57,338
 Transfers between funds	17	6,400	(6,400)	-	-
 Net movement in funds		9,279	-	9,279	57,338
 Reconciliation of funds					
Balance brought forward	17	304,974	-	304,974	247,636
Balance carried forward	17	<u>£314,253</u>	<u>£Nil</u>	<u>£314,253</u>	<u>£304,974</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 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible Fixed Assets	13	10,219	10,406
CURRENT ASSETS			
Debtors	14	27,770	131,244
Cash at Bank and in Hand		457,922	322,918
		<u>485,692</u>	<u>454,162</u>
CREDITORS: Amounts falling due within one year	15	<u>181,658</u>	<u>159,594</u>
NET CURRENT ASSETS		<u>304,034</u>	<u>294,568</u>
NET ASSETS	18	<u>£314,253</u>	<u>£304,974</u>
FUNDS :			
Restricted Funds	17	-	-
Unrestricted Funds	17	<u>314,253</u>	<u>304,974</u>
TOTAL FUNDS		<u>£314,253</u>	<u>£304,974</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 12 12 2022 and signed on its behalf by:



Kate Linsky
Chair



Simon Platz
Treasurer

The notes form part of the financial statements.

HEART N SOUL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net movement in funds per Statement of Financial Activities	9,279	57,338
Adjustments for:		
Depreciation	6,587	6,167
Losses on disposal of tangible fixed assets	-	490
(Increase)/decrease in debtors	103,474	14,714
Increase/(decrease) in creditors	22,064	(30,133)
Net cash provided by/(used in) operating activities	<u>141,404</u>	<u>48,576</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	(6,400)	(8,092)
Net cash provided by/(used in) investing activities	<u>(6,400)</u>	<u>(8,092)</u>
Increase/(decrease) in cash	135,004	40,484
Cash and cash equivalents brought forward	322,918	282,434
Cash and cash equivalents carried forward	<u>£457,922</u>	<u>£322,918</u>
Analysis of cash and cash equivalents		
	2022 £	2021 £
Cash at bank and in hand	<u>£457,922</u>	<u>£322,918</u>

The notes form part of the financial statements.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 2022

2. DONATIONS AND GRANTS	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Multi-disciplinary arts	134,876	36,816	174,752	181,039
Taking part	332,347	294,584	637,240	660,661
The Hub	-	73,913	73,913	497,819
Sharing	14,455	-	1,086	9,092
Believe in Us	-	196,803	196,803	-
	<u>£481,678</u>	<u>£602,116</u>	<u>£1,083,794</u>	<u>£1,348,611</u>

Of the £1,348,611 recognised in 2021, £449,035 was unrestricted funds and £899,576 was restricted funds.

Included within the Hub income of £73,913 is a donation in kind valued at £35,843, 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 2022	Total 2021
	£	£	£	£
Box office fees and commissions	17,251	-	17,251	25,011
	<u>£17,251</u>	<u>£Nil</u>	<u>£17,251</u>	<u>£25,011</u>

All of the £25,011 recognised in 2021 was unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds	Restricted Funds	Total 2022	Total 2021
Bank interest	£385	£Nil	£385	£216
	<u>£385</u>	<u>£Nil</u>	<u>£385</u>	<u>£216</u>

All of the £216 recognised in 2021 was unrestricted funds

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. COST OF RAISING FUNDS	Direct costs	Support costs	Total 2022	Total 2021
	£	£	£	£
Fundraising consulting	£52,320	-	£52,320	£47,780

All of the £47,780 expenditure recognised in 2021 was charged to unrestricted funds.

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staffing Costs	Other Direct Costs	Support Costs (Note 7)	Total 2022	Total 2021
	£	£	£	£	£
Multi-disciplinary arts	53,669	98,919	19,715	172,303	157,227
Taking Part	269,944	227,881	98,132	595,957	529,758
The Hub	11,407	56,107	-	67,514	573,206
Sharing	4,872	591	1,791	7,254	8,529
Believe in Us	51,172	145,631	-	196,803	-
	£391,064	£529,129	£119,638	£1,039,831	£1,268,720

Of the £1,268,720 expenditure recognised in 2021, £358,644 was charged to unrestricted funds and £910,076 was charged to restricted funds.

Included within other direct costs of The Hub are donated services valued at £35,843. 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 2022	Total 2021
	£	£	£	£	£
Multi-disciplinary arts	12,260	6,830	625	19,715	17,294
Taking Part	61,926	33,062	3,145	98,133	79,259
The Hub	-	-	-	-	24,841
Sharing	1,114	620	56	1,790	1,895
	£75,300	£40,512	£3,826	£119,638	£123,289

8. GOVERNANCE COSTS

	2022	2021
	£	£
Auditors' remuneration and related costs	3,658	3,285
AGM and Trustees' meetings	168	420
	£3,826	£3,705

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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	2022	2021
Net income/(expenditure) is stated after charging:		
Operating lease rentals	£35,106	£28,848
Depreciation of tangible fixed assets	£6,587	£6,167
Auditors remuneration – Audit services	£3,615	£3,250
	<u> </u>	<u> </u>
11. STAFF COSTS	2022	2021
Staff costs were as follows:	£	£
Wages and salaries	327,140	412,301
Social Security costs	26,999	33,075
Pension costs	28,864	29,824
Staff training and recruitment	4,330	3,711
Other costs	3,731	4,005
	<u> </u>	<u> </u>
	£391,064	£482,916
	<u> </u>	<u> </u>

One employee received total employee benefits (excluding employers national insurance and employer pension contributions) of more than £60,000 during 2022 (2021: 1), within the band £60,000 to £70,000.

Total employee benefits received by key management amounted to £76,677 (2021: £75,542). 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 10 (2021: 12.2). The average monthly number of employees was 12 (2021: 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 £219 (2021: £20) were reimbursed to 3 (2021: one) trustee(s). The total of donations received without conditions by the charity from trustees amounted to £173 (2021: £4,120).

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS

	Technical Equipment £	Office Equipment £	Total £
Cost			
Balance at 1 April 2021	26,630	45,578	72,208
Additions	-	6,400	6,400
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	26,630	51,978	78,608
Depreciation			
Brought forward at 1 April 2021	26,168	35,634	61,802
Charge for year	462	6,125	6,587
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	26,630	41,759	68,389
Net book value			
As at 31 March 2022	<u>£Nil</u>	<u>£10,219</u>	<u>£10,219</u>
As at 31 March 2021	<u>£462</u>	<u>£9,944</u>	<u>£10,406</u>

14. DEBTORS

	2022 £	2021 £
Trade debtors	4,204	2,300
Accrued income	10,000	113,718
Other debtors	5,129	6,126
Prepayments	8,437	9,100
	<hr/>	<hr/>
	£27,770	£131,244
	<hr/>	<hr/>

15. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	9,299	22,695
Social security and other taxes	2,468	2,759
Other creditors	406	2,882
Accruals	24,431	43,860
Deferred income (see note 16)	145,054	87,398
	<hr/>	<hr/>
	£181,658	£159,594
	<hr/>	<hr/>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

16. DEFERRED INCOME	Balance brought forward	Additions in year	Released To Income	Balance Carried Forward
Grants and donations	£87,398	£145,054	£(87,398)	£145,054

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 2021 £	Movement in Resources		Transfers	Balance At 31 March 2022 £
		Income £	Expenditure £	£	
Unrestricted funds					
General funds	304,974	499,314	496,435	6,400	314,253
	<u>304,974</u>	<u>499,314</u>	<u>496,435</u>	<u>6,400</u>	<u>314,253</u>
Restricted funds					
Multi-disciplinary arts	-	36,816	36,816	-	-
Taking Part	-	294,584	294,584	-	-
The Hub	-	73,913	67,513	(6,400)	-
Believe in Us	-	196,803	196,803	-	-
	<u>-</u>	<u>602,116</u>	<u>595,716</u>	<u>(6,400)</u>	<u>-</u>
Total funds	<u>£304,974</u>	<u>£1,101,430</u>	<u>£1,092,151</u>	<u>-</u>	<u>£314,253</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 2022

17. MOVEMENT IN FUNDS/cont'd

Believe in Us is a two year project focussed on developing a radical new approach for designing services with people with learning disabilities and autistic people in London funded by The Health Foundation. Heart n Soul is the lead party in a collaboration with Oxleas NHS Foundation Trust, Royal Borough of Greenwich, Tizard Centre, Helen Hamlyn Centre for Inclusive Design and the University of the Arts London (UAL) Creative Computing Institute.

Comparative information for the net movement in funds is as follows

	Balance At 1 April 2020 £	Movement in Resources		Transfers	Balance At 31 March 2021 £
		Income £	Expenditure £	£	
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>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	10,219	-	10,219
Current assets	316,165	169,527	485,692
Current liabilities	(12,131)	(169,527)	(181,658)
	<u>£314,253</u>	<u>£Nil</u>	<u>£314,253</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS / cont

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

	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>

19. OPERATING LEASE COMMITMENTS

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

	2022	2021
	£	£
Amounts due within:		
One year	9,218	10,037
One to five years	7,222	11,349
	<u>£16,440</u>	<u>£21,386</u>

20. CONTINGENT ASSETS

Total grant funding awarded as at 31 March 2022 but not yet received and recognised as income due to the recognition criteria not being met amounts to £484,045.

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.