

IHEART PRINCIPLES LIMITED

England & Wales · Charity number 1173025

Details

Other names INNATE HEALTH, THE PRINCIPLES OF INNATE HEALTH

Status Registered

Legal form Charitable company

Company number [10415309](#)

Registered 2017-05-12

Register [View on the Charity Commission register](#)

Contact

Address iheart Principles Ltd
Vaughan Road
Harpenden
Hertfordshire
AL5 4EE

Phone 02089121216

Email info@iheartprinciples.com

Website www.iheartprinciples.com

Activities

Objects: TO RELIEVE ILL MENTAL HEALTH AND TO PROMOTE AND PROTECT GOOD MENTAL HEALTH THROUGH THE PROVISION OF COURSES AND WORKSHOPS IN THE SUBJECTS OF RESILIENCE AND THE PRINCIPLES OF INNATE HEALTH

Activities: Prevention-based educational programmes to increase resilience, wellbeing and mental health amongst children and young people. Primary beneficiaries-youth aged 8-18 in schools and youth/community. Secondary-teachers, youth workers and parents. Programmes are based on the iheart Resilience Framework which helps young people to deal with adversity and be better equipped to deal with life's challenges.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Other Charitable Purposes
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£293,847	£242,516	-	-
2024-06-30	£311,350	£419,078	-	-
2023-06-30	£975,875	£944,315	£183,725	9
2022-06-30	£992,509	£1,093,399	£152,165	9
2021-06-30	£1,113,114	£1,088,332	£253,055	9

Trustees

Name	Role	Appointed
Terry Anne Rubenstein	Chair	2024-05-09
Dr Rani Bora		2026-05-29
Ethan Gabriel Krell		2024-05-07
Mitesh Puspakkant Sheth		2026-05-15
Toby Kahan		2024-05-09
Yehuda Joseph Pearlman		2025-05-09

IHEART PRINCIPLES LIMITED

England & Wales - Charity number 1173025

Accounts

COMPANY REGISTRATION NUMBER: 10415309
CHARITY COMMISSION FOR ENGLAND AND WALES REGISTRATION NUMBER: 1173025

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
30 June 2025

HICKS AND COMPANY

Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

THURSDAY



A31 *AEYO3ZE9* #275
26/03/2026
COMPANIES HOUSE

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 June 2025

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	6
Statement of financial activities (including income and expenditure account)	7
Statement of financial position	8
Notes to the financial statements	9

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2025

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2025.

Reference and administrative details

Registered charity name iheart Principles Limited

**Charity Commission for
England and Wales registration
number** 1173025

Company registration number 10415309

Principal office 41 Green Walk
London
NW4 2AL

Registered office Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

The trustees T Kahan
E G Krell
Y J Pearlman
T A Rubenstein
B K Rubenstein

Appointed 9 May 2025
Appointed 25 February 2026

Independent examiner Hicks and Company
Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bank Metro Bank

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2025

Structure, governance and management

The charity is a company limited by guarantee and is governed by its articles and memorandum of association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of the signature of the financial statements were:

- Toby Kahan
- Ethan Krell
- Yehuda Pearlman (appointed 9 May 2025)
- Terry Rubenstein
- Brian Rubenstein (appointed 25 February 2026)

iheart recruit and appoint trustees as required. The charity aims to have a minimum of 3 trustees at any given time, but have set an ideal target of having 5 trustees appointed before the end of the next financial year. If the need for a new trustee appointment arises, the current leadership team (including the charity's founders) and trustees will recommend suitable candidates at the next trustee meeting. Prospective trustees are assessed based upon their commitment to the core purpose of the charity and the mental health education philosophy which underpins the charity's work, as well as other experience, skills and value they bring.

All new trustees are encouraged to attend one of the iheart courses in order to gain a better understanding of the core purpose of the charity and the approach we take.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The affairs of the charity are governed by the Board of Trustees. They are responsible, with the support of the CEO and senior management team, for setting the strategic direction of the charity, consideration of reserves, risk management, performance review and affirming general organisational policy.

iheart carries out quarterly trustee meetings which are also attended by the CEO. Other meetings occur on an ad hoc basis as required. The strategic direction and key decisions are discussed and debated and then presented and agreed with the trustees in the quarterly trustee meetings.

Objectives and activities

The purpose of iheart is to relieve ill mental health and to promote and protect good mental health through the provision of courses and workshops in the subjects of resilience and the principles of innate health.

The main activity undertaken in relation to the purposes is the educating of young people through prevention-based programmes in mental health education, wellbeing and resilience with a focus on young people aged 9-18 years. The accredited iheart resilience training delivers programmes in schools and other youth settings, and offers facilitator training in the iheart curriculum to teachers and staff in schools and youth/community organisations.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2025

The core objective of the charity is achieved by maximising the delivery of our programmes. The strategies in place to achieve this are:

- 1) Training teachers/staff to deliver the programme to young people in schools, educational settings, youth groups, community settings etc.
- 2) The core iheart team delivering the programme to young people in schools and other educational settings through applying for grants and fundraising.
- 3) Utilising technology to further increase reach. This includes the development of digital programmes that can be delivered without facilitator input.
- 4) 1-1 and small group follow up support where required.
- 5) Support of parents where required.

The trustees have paid due regard to guidance issues by the Charity Commission in deciding what activities the charity should undertake and consider that the activities of the charity have been for the public benefit.

iheart's strategy over the next 12 months will continue to be based on a whole-school approach, meaning training teachers and support staff within schools wherever possible. Our accumulated experience has shown us that teachers are often best placed to provide ongoing, sustainable support to their pupils. This approach is also more cost-effective, enabling us to reach more young people whilst costing less in facilitated delivery costs. In order to achieve this, we are carrying out the following activities;

1. Maintaining and further developing key strategic partnerships with schools and other organisations.
2. Applying for grants to enable the above to take place, whilst managing existing multi-year grants and donor relationships.

Achievements and performance

During this period iheart has continued to deliver programmes to young people in schools, other youth settings, and private groups. Over the past year, iheart continued to increase its work in schools through undertaking in-house training so that their staff could be trained and supported by iheart. This is a significant step as it enables iheart to become embedded and sustainable within the school's own system.

Work was undertaken on an age-differentiated curriculum so that pupils in Years 9, 10 and 11 would receive more focused benefit from the iheart programme.

The continued and successful roll-out of the ignite digital programme to children aged 8-12, which does not need facilitation or training for teachers, is an important development. The short, impactful programme was designed to solve the problem of lack of timetable capacity in schools for the full curriculum programme.

iheart continues in its mission to sustainably support young people by also educating and supporting the adults around them by offering training programmes to reach teachers in schools where feasible.

iheart sets out clearly defined fundraising activities and financial targets as part of its overall budgeting each year. The financial affairs of the charity are reviewed at the trustee meetings.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2025

We carried out a successful community-based crowd and match fundraising campaign in January 2025 which proved vital given the tougher climate that we experienced around the availability of grant funding proved vital given the tougher climate that we experienced around the availability of grant funding financial year.

Financial review

For the period ended 30 June 2025 total income was £316,470. Of this figure, £297,110 was received as donations and grants and £19,150 was received from charitable activities. A further £210 was received as investment and other income.

Total unrestricted funds carried forward are £127,328. These funds will be used to deliver programmes in line with the charity's objectives.

All financial matters are discussed at the quarterly trustee meetings including risks to the charity and key strategies to manage and mitigate these.

The broader fundraising environment has continued to be challenging over the past 12 months. We have seen that this is true across the charity sector and is not unique to our organisation. In response, and in order to ensure iheart remains a going concern, iheart has reduced its expenditure to correlate with reduced fundraising income, particularly from grant-makers (trusts and foundations). The trustees and management team have implemented this strategy by deciding not to replace departing staff members, consolidating positions/roles and removing other non-essential operating costs wherever possible. The organisation has also elected not to create any new programmes for the time being.

We have narrowed the focus of the charity to the primary activity of delivering programmes in schools and other educational and community institutions, ensuring that funds raised are used for the primary purpose of the charity, namely wellbeing and resilience programmes for young people and the teachers and parents who support youth.

The trustees expect that the charity will be able to meet its objectives and continue as a going concern. These accounts have therefore been prepared on a going concern basis.

Reserves policy

The charity aims to hold sufficient funds in reserves to cover its short-term operating costs along with any funds which have been allocated to designated funds.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2025

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 24 March 2026 and signed on behalf of the board of trustees by:



Terry Rubenstein
Chair of Trustees

iheart Principles Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of iheart Principles Limited

Year ended 30 June 2025

Independent examiner's report to the trustees of iheart Principles Limited ('the Company')

I report to the trustees on my examination of the financial statements of iheart Principles Limited for the year ended 30 June 2025, which are set out on Pages 7 to 17.

Responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act')

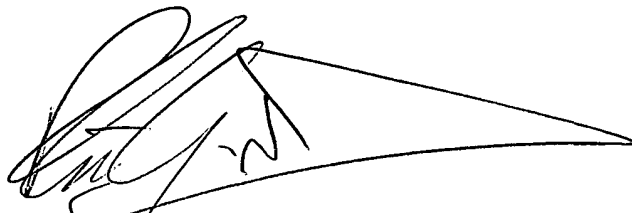
Having satisfied myself that the financial statements of the Company are not required to be audited and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Section 386 of the 2006 Act other than any requirement that the financial statements give a true and fair view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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



Philip Dean FCA
Hicks and Company
Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

24 March 2026

iheart Principles Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2025

		Year to 30 Jun 25			Year to 30 Jun 24
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	274,487	22,623	297,110	230,920
Charitable activities	6	19,150	-	19,150	80,100
Other income	7	101	-	101	150
Investment income		109	-	109	180
Total income		<u>293,847</u>	<u>22,623</u>	<u>316,470</u>	<u>311,350</u>
Expenditure					
Expenditure on raising funds	8	844	-	844	1,163
Expenditure on charitable activities	9, 10	241,672	22,623	264,295	417,915
Total expenditure		<u>242,516</u>	<u>22,623</u>	<u>265,139</u>	<u>419,078</u>
Net income/(expenditure) and net movement in funds		<u>51,331</u>	<u>-</u>	<u>51,331</u>	<u>(107,728)</u>
Reconciliation of funds					
Total funds brought forward		75,997	-	75,997	183,725
Total funds carried forward		<u>127,328</u>	<u>-</u>	<u>127,328</u>	<u>75,997</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

iheart Principles Limited
Company Limited by Guarantee
Statement of Financial Position

30 June 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	16	2,050	4,338
		<u>2,050</u>	<u>4,338</u>
Current assets			
Debtors	17	62,642	59,992
Cash at bank and in hand		70,199	19,903
		<u>132,841</u>	<u>79,895</u>
Creditors: amounts falling due within one year	18	<u>7,563</u>	<u>8,236</u>
Net current assets		<u>125,278</u>	<u>71,659</u>
Total assets less current liabilities		<u>128,048</u>	<u>75,997</u>
Net assets		<u>128,048</u>	<u>75,997</u>
Funds of the charity			
Unrestricted funds		<u>127,328</u>	<u>75,997</u>
Total charity funds	20	<u>127,328</u>	<u>75,997</u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 30 June 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2025 in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 24 March 2026, and are signed on behalf of the board by:



Terry Rubenstein
Chair of Trustees

Company registration number: 10415309

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 June 2025

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Vaughan Chambers, Vaughan Road, Harpenden, AL5 4EE.

2. Statement of compliance

These financial statements have been prepared in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

3. Accounting policies **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In order to ensure iheart remains a going concern, iheart has reduced its expenditure to correlate with reduced fundraising income, particularly from grant-makers (trusts and foundations). The trustees and management team have implemented this strategy by deciding not to replace departing staff members, consolidating positions/roles and removing other non-essential operating costs wherever possible. The organisation has also elected not to create any new programmes for the time being.

As a result of the cost saving measures undertaken, the trustees consider that the charity remains a going concern.

Taxation

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Computer equipment	- 25% to 50% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

3. Accounting policies *(continued)*

Impairment of fixed assets

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

4. Limited by guarantee

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Donations			
Donations and gifts	99,487	-	99,487
Grants			
Grants receivable	175,000	22,623	197,623
	<u>274,487</u>	<u>22,623</u>	<u>297,110</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Donations and gifts	77,219	-	77,219
Grants			
Grants receivable	144,000	9,701	153,701
	<u>221,219</u>	<u>9,701</u>	<u>230,920</u>

6. Income from charitable activities

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
iheart	<u>19,150</u>	<u>19,150</u>	<u>80,100</u>	<u>80,100</u>

7. Other income

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Royalties	101	101	-	-
Presentation income	-	-	150	150
	<u>101</u>	<u>101</u>	<u>150</u>	<u>150</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Fundraising campaign costs	844	844	1,163	1,163

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
iheart	84,259	-	84,259
Support costs	157,413	22,623	180,036
	<u>241,672</u>	<u>22,623</u>	<u>264,295</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
iheart	45,996	-	45,996
Support costs	362,218	9,701	371,919
	<u>408,214</u>	<u>9,701</u>	<u>417,915</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2025 £	Total fund 2024 £
iheart	84,259	176,436	259,975	414,315
Governance costs	-	3,600	3,600	3,600
	<u>84,259</u>	<u>180,036</u>	<u>264,295</u>	<u>417,915</u>

11. Analysis of support costs

	Support costs £	Total 2025 £	Total 2024 £
Staff costs	137,420	137,420	235,943
Contractors and consultants	-	-	60,700
Office support costs	35,305	35,305	64,505
Governance costs	3,600	3,600	3,600
Accountancy support costs	1,982	1,982	4,141
Bank fees and charges	1,729	1,729	3,030
	<u>180,036</u>	<u>180,036</u>	<u>371,919</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

12. Net income

Net income is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets	<u>2,288</u>	<u>2,464</u>

13. Independent examination fees

	Year to 2025	Year to 2024
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,600</u>	<u>3,600</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	126,078	211,997
Social security costs	10,021	18,128
Employer contributions to pension plans	1,321	3,540
Other staff costs	-	2,278
	<u>137,420</u>	<u>235,943</u>

The average head count of employees under employment contracts during the year was 2 (2024: 7).

In the year to 30 June 2025 one (2024: no) employee received employee benefits in excess of £60,000. The number of employees fell into the following bands:

	2025 number	2024 number
£80,000 to £89,999	1	-

The total employee benefits of key management personnel for the charity were £88,677 (2024: £95,649).

In the year ended 30 June 2024 two employees received statutory redundancy payments amounting to £6,376 (2025: £nil).

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

15. Trustees

None of the trustees received any remuneration for their services as trustees. See note 21 for further information regarding related party transactions.

The aggregate of donations from trustees of the charity totalled £1,800 (2024: £nil).

16. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 July 2024	6,159	10,387	16,546
Additions	-	-	-
At 30 June 2025	<u>6,159</u>	<u>10,387</u>	<u>16,546</u>
Depreciation			
At 1 July 2024	5,980	6,228	12,208
Charge for the year	97	2,191	2,288
At 30 June 2025	<u>6,077</u>	<u>8,419</u>	<u>14,496</u>
Carrying amount			
At 30 June 2025	<u>82</u>	<u>1,968</u>	<u>2,050</u>
At 30 June 2024	<u>179</u>	<u>4,159</u>	<u>4,338</u>

17. Debtors

	2025 £	2024 £
Trade debtors	7,498	5,729
Prepayments and accrued income	1,447	1,645
Other debtors	53,697	52,618
	<u>62,642</u>	<u>59,992</u>

18. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	90	389
Accruals and deferred income	4,320	4,596
Social security and other taxes	2,895	2,851
Other creditors	258	400
	<u>7,563</u>	<u>8,236</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2025

19. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income and expenditure as an expense in relation to defined contribution plans was £1,321 (2024: £3,540).

20. Analysis of charitable funds

Unrestricted funds

	At 1 July 2024	Income	Expenditure	At 30 June 2025
	£	£	£	£
General funds	<u>75,997</u>	<u>293,847</u>	<u>(242,516)</u>	<u>127,328</u>

	At 1 July 2023	Income	Expenditure	At 30 June 2024
	£	£	£	£
General funds	<u>183,725</u>	<u>301,649</u>	<u>(409,377)</u>	<u>75,997</u>

Restricted funds

	At 1 July 2024	Income	Expenditure	At 30 June 2025
	£	£	£	£
Grants received	<u>-</u>	<u>22,623</u>	<u>(22,623)</u>	<u>-</u>

	At 1 July 2023	Income	Expenditure	At 30 June 2024
	£	£	£	£
Grants received	<u>-</u>	<u>9,701</u>	<u>(9,701)</u>	<u>-</u>

21. Related parties

Terry Rubenstein and her husband Brian Rubenstein own all the shares of Resilimy Ltd. Brian Rubenstein is the sole director of Resilimy Ltd as well as Chief Executive Officer of iheart Principles Ltd.

During the year, the charity paid expenses of £1,080 on behalf of Resilimy Ltd (2024: £48,906). At 30 June 2025 the balance due from Resilimy Ltd to iheart Principles Ltd was £53,547 (2024: £52,467).

The charity paid Terry Rubenstein £2,400 during the year ended 30 June 2025 (2024: £nil) for consultancy work performed outside of her trustee role. In addition, the charity paid £14,400 to Resilimy Ltd to pay for shared operational costs such as rent and facilities. These payments were authorised by the other trustees with Terry Rubenstein taking no part in the decision-making process.

IHEART PRINCIPLES LIMITED

England & Wales - Charity number 1173025

Accounts

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
30 June 2024

HICKS AND COMPANY

Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 June 2024

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	6
Statement of financial activities (including income and expenditure account)	7
Statement of financial position	8
Notes to the financial statements	9

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2024

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2024.

Reference and administrative details

Registered charity name iheart Principles Limited

**Charity Commission for
England and Wales registration
number** 1173025

Company registration number 10415309

Principal office Suite 2
3 Sunny Place
London
NW4 1RS

Registered office Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

The trustees	J C Bull	Resigned 7 May 2024
	I C Garner-Patel	Resigned 7 May 2024
	T Kahan	Appointed 7 May 2024
	A S Kessel	Resigned 7 May 2024
	E G Krell	Appointed 7 May 2024
	T A Rubenstein	Appointed 7 May 2024

Independent examiner Hicks and Company
Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bank Metro Bank

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2024

Structure, governance and management

The charity is a company limited by guarantee and is governed by its articles and memorandum of association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of the signature of the financial statements were:

- Julian Christopher Bull (resigned 7 May 2024)
- Ila Caroline Garner-Patel (resigned 7 May 2024)
- Toby Kahan (appointed 7 May 2024)
- Anthony Stephen Kessel (resigned 7 May 2024)
- Ethan Gabriel Krell (appointed 7 May 2024)
- Terry Ann Rubenstein (appointed 7 May 2024)

In keeping with the rotational nature of the charity's Trustee Board, and as the previous incumbents had been in their posts for several year, the previous trustees announced their intention to step down at the beginning of May 2024. New trustees were appointed on 7 May 2024 and participated in an onboarding and induction process.

iheart recruit and appoint trustees as required. The charity aims to have a minimum of 3 trustees at any given time, but have set an ideal target of having 5 trustees appointed before the end of the next financial year. If the need for a new trustee appointment arises, the current leadership team (including the charity's founders) and trustees will recommend suitable candidates at the next trustee meeting. Prospective trustees are assessed based upon their commitment to the core purpose of the charity and the mental health education philosophy which underpins the charity's work, as well as other experience, skills and value they bring.

All new trustees are encouraged to attend one of the iheart courses in order to gain a better understanding of the core purpose of the charity and the approach we take.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The affairs of the charity are governed by the Board of Trustees. They are responsible, with the support of the CEO and senior management team, for setting the strategic direction of the charity, consideration of reserves, risk management, performance review and affirming general organisational policy.

iheart carries out quarterly trustee meetings which are also attended by the CEO. Other meetings occur on an ad hoc basis as required. The strategic direction and key decisions are discussed and debated and then presented and agreed with the trustees in the quarterly trustee meetings.

Objectives and activities

The purpose of iheart is to relieve ill mental health and to promote and protect good mental health through the provision of courses and workshops in the subjects of resilience and the principles of innate health.

The main activity undertaken in relation to the purposes is the educating of young people through prevention-based programmes in mental health education, wellbeing and resilience with a focus on young people aged 9-18 years. The accredited iheart resilience training delivers programmes in schools and other youth settings, and offers facilitator training in the iheart curriculum to teachers and staff in schools and youth/community organisations.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2024

The core objective of the charity is achieved by maximising the delivery of our programmes. The strategies in place to achieve this are:

- 1) Training teachers/staff to deliver the programme to young people in schools, educational settings, youth groups, community settings etc.
- 2) The core iheart team delivering the programme to young people in schools and other educational settings through applying for grants and fundraising.
- 3) Utilising technology to further increase reach. This includes the development of digital programmes that can be delivered without facilitator input.
- 4) 1-1 and small group follow up support where required.
- 5) Support of parents where required.

The trustees have paid due regard to guidance issues by the Charity Commission in deciding what activities the charity should undertake and consider that the activities of the charity have been for the public benefit.

iheart's strategy over the next 12 months will continue to be based on a whole-school approach, meaning training teachers and support staff within schools wherever possible. Our accumulated experience has shown us that teachers are often best placed to provide ongoing, sustainable support to their pupils. This approach is also more cost-effective, enabling us to reach more young people whilst costing less in facilitated delivery costs. In order to achieve this, we are carrying out the following activities;

1. Developing key strategic partnerships with schools and other organisations. We are talking to several partners, including other charities and public sector organisations
2. iheart is applying for grants to enable the above to take place, whilst managing existing multi-year grants and donor relationships.

Achievements and performance

During this period iheart has continued to deliver programmes to young people in schools, other youth settings, and private groups. This year saw some an increase in schools undertaking in-house training so that their staff could be trained and supported by iheart. This is a significant step as it enables iheart to become embedded and sustainable within the school's own system.

The continued and successful roll-out of the ignite digital programme to children aged 9-13, which does not need facilitation or training for teachers, is an important development. The short, impactful programme was designed to solve the problem of lack of timetable capacity in schools for the full curriculum programme.

iheart continues in its mission to sustainably support young people by also educating and supporting the adults around them by offering training programmes to reach teachers in schools where feasible.

iheart sets out clearly defined fundraising activities and financial targets as part of its overall budgeting each year. The financial affairs of the charity are reviewed at the trustee meetings.

We carried out a successful community-based crowd and match fundraising campaign in January 2025 which proved vital given the tougher climate that we experienced around the availability of grant funding proved vital given the tougher climate that we experienced around the availability of grant funding financial year.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2024

Financial review

For the period ended 30 June 2024 total income was £311,350. Of this figure, £230,920 was received as donations and grants and £80,100 was received from charitable activities. A further £330 was received as investment and other income.

Total unrestricted funds carried forward are £75,997. These funds will be used to deliver programmes in line with the charity's objectives.

All financial matters are discussed at the quarterly trustee meetings including risks to the charity and key strategies to manage and mitigate these.

The broader fundraising environment has continued to be challenging over the past 12 months. We have seen that this is true across the charity sector and is not unique to our organisation. In response, and in order to ensure iheart remains a going concern, iheart has reduced its expenditure to correlate with reduced fundraising income, particularly from grant-makers (trusts and foundations). The trustees and management team have implemented this strategy by deciding not to replace departing staff members, consolidating positions/roles and removing other non-essential operating costs wherever possible. The organisation has also elected not to create any new programmes for the time being.

We have narrowed the focus of the charity to the primary activity of delivering programmes in schools and other educational and community institutions, ensuring that funds raised are used for the primary purpose of the charity, namely wellbeing and resilience programmes for young people and the teachers and parents who support youth.

The trustees expect that the charity will be able to meet its objectives and continue as a going concern. These accounts have therefore been prepared on a going concern basis.

Reserves policy

The charity aims to hold sufficient funds in reserves to cover its short-term operating costs along with any funds which have been allocated to designated funds.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2024

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 26 March 2025 and signed on behalf of the board of trustees by:



Terry Rubenstein
Chair of Trustees

iheart Principles Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of iheart Principles Limited

Year ended 30 June 2024

Independent examiner's report to the trustees of iheart Principles Limited ('the Company')

I report to the trustees on my examination of the financial statements of iheart Principles Limited for the year ended 30 June 2024, which are set out on Pages 7 to 17.

Responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act')

Having satisfied myself that the financial statements of the Company are not required to be audited and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Section 386 of the 2006 Act other than any requirement that the financial statements give a true and fair view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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



Philip Dean FCA
Hicks and Company
Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

26 March 2025

iheart Principles Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2024

		Year to 30 Jun 24			Year to 30 Jun 23
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	221,219	9,701	230,920	696,242
Charitable activities	6	80,100	-	80,100	278,110
Other income	7	150	-	150	1,235
Investment income		180	-	180	288
Total income		<u>301,649</u>	<u>9,701</u>	<u>311,350</u>	<u>975,875</u>
Expenditure					
Expenditure on raising funds	8	1,163	-	1,163	12,982
Expenditure on charitable activities	9, 10	408,214	9,701	417,915	931,333
Total expenditure		<u>409,377</u>	<u>9,701</u>	<u>419,078</u>	<u>944,315</u>
Net (expenditure)/income and net movement in funds		<u>(107,728)</u>	<u>-</u>	<u>(107,728)</u>	<u>31,560</u>
Reconciliation of funds					
Total funds brought forward		<u>183,725</u>	<u>-</u>	<u>183,725</u>	<u>152,165</u>
Total funds carried forward		<u>75,997</u>	<u>-</u>	<u>75,997</u>	<u>183,725</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

iheart Principles Limited
Company Limited by Guarantee
Statement of Financial Position

30 June 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	16	4,338	6,802
		<u>4,338</u>	<u>6,802</u>
Current assets			
Debtors	17	59,992	98,788
Cash at bank and in hand		19,903	142,260
		<u>79,895</u>	<u>241,048</u>
Creditors: amounts falling due within one year	18	8,236	64,125
Net current assets		<u>71,659</u>	<u>176,923</u>
Total assets less current liabilities		<u>75,997</u>	<u>183,725</u>
Net assets		<u>75,997</u>	<u>183,725</u>
Funds of the charity			
Unrestricted funds		<u>75,997</u>	<u>183,725</u>
Total charity funds	21	<u>75,997</u>	<u>183,725</u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 30 June 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2024 in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 26 March 2025, and are signed on behalf of the board by:


Terry Rubenstein
Chair of Trustees

Company registration number: 10415309

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 June 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Vaughan Chambers, Vaughan Road, Harpenden, AL5 4EE.

2. Statement of compliance

These financial statements have been prepared in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In order to ensure iheart remains a going concern, iheart has reduced its expenditure to correlate with reduced fundraising income, particularly from grant-makers (trusts and foundations). The trustees and management team have implemented this strategy by deciding not to replace departing staff members, consolidating positions/roles and removing other non-essential operating costs wherever possible. The organisation has also elected not to create any new programmes for the time being.

Additionally, the three most senior members of the management team took voluntary pay cuts of 50% from September 2023 in order to help reduce costs. Finally, we have narrowed the focus of the charity to the primary activity of delivering programmes in schools and other educational institutions. All other activities (e.g. facilitator training for adults; podcast, etc) which are deemed 'non-core', have been discontinued, thereby contributing to cost reductions and ensuring that funds raised are used for the primary purpose of the charity, namely wellbeing and resilience programmes in schools.

As a result of the cost saving measures undertaken, the trustees consider that the charity remains a going concern.

Taxation

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Computer equipment	- 25% to 50% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

3. Accounting policies *(continued)*

Impairment of fixed assets

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

4. Limited by guarantee

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Donations and gifts	77,219	-	77,219
Grants			
Grants receivable	144,000	9,701	153,701
	<u>221,219</u>	<u>9,701</u>	<u>230,920</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations and gifts	309,324	-	309,324
Grants			
Grants receivable	282,392	104,526	386,918
	<u>591,716</u>	<u>104,526</u>	<u>696,242</u>

6. Income from charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
iheart	<u>80,100</u>	<u>80,100</u>	<u>278,110</u>	<u>278,110</u>

7. Other income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Royalties	-	-	235	235
Presentation income	150	150	1,000	1,000
	<u>150</u>	<u>150</u>	<u>1,235</u>	<u>1,235</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Fundraising campaign costs	1,163	1,163	12,982	12,982

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
iheart	45,996	-	45,996
Support costs	362,218	9,701	371,919
	<u>408,214</u>	<u>9,701</u>	<u>417,915</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
iheart	2,296	104,526	106,822
Support costs	824,511	-	824,511
	<u>826,807</u>	<u>104,526</u>	<u>931,333</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
iheart	45,996	368,319	414,315	927,973
Governance costs	-	3,600	3,600	3,360
	<u>45,996</u>	<u>371,919</u>	<u>417,915</u>	<u>931,333</u>

11. Analysis of support costs

	Support costs £	Total 2024 £	Total 2023 £
Staff costs	235,943	235,943	532,649
Contractors and consultants	60,700	60,700	153,051
Office support costs	64,505	64,505	127,401
Governance costs	3,600	3,600	3,360
Accountancy support costs	4,141	4,141	2,630
Bank fees and charges	3,030	3,030	5,420
	<u>371,919</u>	<u>371,919</u>	<u>824,511</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

12. Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	<u>2,464</u>	<u>2,059</u>

13. Independent examination fees/auditors' remuneration

	Year to 2024	Year to 2023
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,600</u>	<u>3,360</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	211,997	467,897
Social security costs	18,128	51,505
Employer contributions to pension plans	3,540	7,995
Other staff costs	<u>2,278</u>	<u>5,252</u>
	<u>235,943</u>	<u>532,649</u>

The average head count of employees under employment contracts during the year was 7 (2023: 9).

In the year to 30 June 2024, no (2023: 3) employees received employee benefits in excess of £60,000. The number of employees fell into the following bands:

	2024	2023
	number	number
£60,000 to £64,999	-	-
£70,000 to £74,999	-	-
£80,000 to £84,999	-	1
£85,000 to £89,999	-	1
£95,000 to £99,999	-	-
£100,000 to £104,999	-	1

The total employee benefits of key management personnel for the charity were £95,649 (2023: £318,792).

Two employees received statutory redundancy payments during the year amounting to £6,376 (2023: £nil).

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

15. Trustees

Terry Rubenstein was appointed as a trustee of the charity on 9 May 2024 and continued in her employed role with the charity until 30 June 2024 for which she received pay and benefits in accordance with her employment contract. On the termination of her employment by the charity, she was paid statutory redundancy in accordance with the terms of her employment contract.

None of the trustees received any remuneration for their services as trustees.

The aggregate of donations from trustees of the charity totalled £nil (2023: £15,000).

16. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 July 2023	6,159	10,387	16,546
Additions	-	-	-
At 30 June 2024	<u>6,159</u>	<u>10,387</u>	<u>16,546</u>
Depreciation			
At 1 July 2023	5,883	3,861	9,744
Charge for the year	97	2,367	2,464
At 30 June 2024	<u>5,980</u>	<u>6,228</u>	<u>12,208</u>
Carrying amount			
At 30 June 2024	<u>179</u>	<u>4,159</u>	<u>4,338</u>
At 30 June 2023	<u>276</u>	<u>6,526</u>	<u>6,802</u>

17. Debtors

	2024 £	2023 £
Trade debtors	5,729	59,955
Prepayments and accrued income	1,645	1,808
Other debtors	52,618	37,025
	<u>59,992</u>	<u>98,788</u>

18. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	389	896
Accruals and deferred income	4,596	46,281
Social security and other taxes	2,851	15,449
Other creditors	400	1,499
	<u>8,236</u>	<u>64,125</u>

iheart Principles Limited
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2024

19. Deferred income

	2024	2023
	£	£
Amount deferred in year	<u>-</u>	<u>35,000</u>

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income and expenditure as an expense in relation to defined contribution plans was £3,540 (2023: £7,995).

21. Analysis of charitable funds

Unrestricted funds

	At 1 July 2023	Income	Expenditure	At 30 June 2024
	£	£	£	£
General funds	<u>183,725</u>	<u>301,649</u>	<u>(409,377)</u>	<u>75,997</u>

	At 1 July 2022	Income	Expenditure	At 30 June 2023
	£	£	£	£
General funds	<u>152,165</u>	<u>871,348</u>	<u>(839,788)</u>	<u>183,725</u>

Restricted funds

	At 1 July 2023	Income	Expenditure	At 30 June 2024
	£	£	£	£
Grants received	<u>-</u>	<u>9,701</u>	<u>(9,701)</u>	<u>-</u>

	At 1 July 2022	Income	Expenditure	At 30 June 2023
	£	£	£	£
Grants received	<u>-</u>	<u>104,527</u>	<u>(104,527)</u>	<u>-</u>

22. Related parties

At 30 June 2023 Brian Rubenstein owed the charity £28 which was full repaid in March 2024. There was no amount outstanding at 30 June 2024.

The charity considers Brian Rubenstein to be a related parties to the charity as he is former trustee of the charity, and the husband of Terry Rubenstein.

During the year, the charity recharged expenses of £48,906 (2023: £4,668) and passed income of £nil (2023: £52,500) to Resilimy Ltd, a company that Brian Rubenstein and Terry Rubenstein are shareholders in and directors of. At 30 June 2024 the balance due from Resilimy Ltd to iheart Principles Ltd was £52,467 (2023: £1,268).

IHEART PRINCIPLES LIMITED

England & Wales - Charity number 1173025

Accounts

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
30 June 2023

HICKS AND COMPANY

Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 June 2023

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	6
Statement of financial activities (including income and expenditure account)	7
Statement of financial position	8
Statement of cash flows	9
Notes to the financial statements	10

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2023.

Reference and administrative details

Registered charity name iheart Principles Limited

**Charity Commission for
England and Wales registration
number** 1173025

Company registration number 10415309

Principal office Suite 2
3 Sunny Place
London
NW4 1RS

Registered office Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

The trustees D L Arenson Resigned 5 July 2022
J C Bull
I C Garner-Patel
A S Kessel

Independent examiner Hicks and Company
Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bank Metro Bank

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2023

Structure, governance and management

The charity is a company limited by guarantee and is governed by its articles and memorandum of association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of the signature of the financial statements were:

- Dana Lisa Arenson (Resigned 5 July 2022)
- Julian Christopher Bull
- Ila Caroline Garner-Patel (Chair of Trustees)
- Anthony Stephen Kessel

In keeping with the rotational nature of the charity's Trustee Board, the current trustees have announced their intention to step down on 15 May 2024. New trustees have been identified and will shortly begin the induction and onboarding process.

iheart recruit and appoint trustees as required. The charity aims to have a minimum of 3 trustees at any given time. If the need for a new trustee appointment arises, the current leadership team (including the charity's founders) and trustees will recommend suitable candidates at the next trustee meeting. Prospective trustees are assessed based upon their commitment to the core purpose of the charity and the mental health education philosophy which underpins the charity's work, as well as other experience, skills and value they bring.

All new trustees are encouraged to attend one of the iheart courses in order to gain a better understanding of the core purpose of the charity and the approach we take.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The affairs of the charity are governed by the Board of Trustees. They are responsible, with the support of the CEO and senior management team, for setting the strategic direction of the charity, consideration of reserves, risk management, performance review and affirming general organisational policy.

iheart carries out quarterly Trustee meetings which are also attended by representatives from the leadership team (Brian Rubenstein and Terry Rubenstein). Other meetings occur on an ad hoc basis as required. The strategic direction and key decisions are discussed and debated and then presented and agreed with the Trustees in the quarterly Trustee meetings.

Objectives and activities

The purpose of iheart is to relieve ill mental health and to promote and protect good mental health through the provision of courses and workshops in the subjects of resilience and the principles of innate health.

The main activity undertaken in relation to the purposes is the educating of young people through prevention-based programmes in mental health education, wellbeing and resilience with a focus on young people aged 9-18 years. The accredited iheart resilience training delivers programmes in schools and other youth settings, and offers facilitator training in the iheart curriculum to teachers.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2023

The core objective of the charity is achieved by maximising the delivery of our programme. The strategies in place to achieve this are:

- 1) Training facilitators to deliver the programme to young people in schools, youth groups, private groups, etc.
- 2) The core iheart team delivering the programme to young people in schools through applying for grants and fundraising.
- 3) Utilising technology to further increase reach. This includes the development of digital programmes that can be delivered without facilitator input.

The trustees have paid due regard to guidance issues by the Charity Commission in deciding what activities the charity should undertake and consider that the activities of the charity have been for the public benefit.

iheart has identified the following key objectives over the next 12 months: Primarily we are looking at how we can deliver our programmes to a targeted number of young people in schools, research and experience has shown clearly that digital platforms are the best way for us to do this. This enables us to reach more young people whilst costing less in facilitated delivery costs. In order to achieve this, we are carrying out the following activities;

1. Continue to distribute our digital product for school delivery – ignite
2. Develop key strategic partnerships. We are talking to several partners, including other charities and public sector organisations
3. iheart is applying for grants to enable the above to take place, whilst managing existing multi-year grants and donor relationships.

Achievements and performance

During this period iheart has continued to deliver programmes to young people in schools, other youth settings, and private groups, accelerated by the availability of the new ignite digital resilience and wellbeing programme. This year saw some of the schools undertake in-house training so that their staff could be trained and supported by iheart. This is a significant step as it enables iheart to become embedded and sustainable within the school's own system.

The continued and successful roll-out of the ignite digital programme to children aged 9-13, which does not need facilitation or training for teachers, is an important development. The short, impactful programme was designed to solve the problem of lack of timetable capacity in schools for the full curriculum programme. To date, the programme has reached over 3,500 children.

The iheart training academy graduated another 75 facilitators from around the world who became certified iheart facilitators.

iheart continues in its mission to sustainably support young people by also educating and supporting the adults around them by offering training programmes to reach teachers in schools where feasible.

iheart sets out clearly defined fundraising activities and financial targets as part of its overall budgeting each year. The financial affairs of the charity are reviewed at the Trustee meetings.

We carried out our annual successful crowd and match fundraising campaign in March 2023 which proved vital given the tougher climate that we experienced around the availability of grant funding during this financial year.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2023

Financial review

For the period ended 30 June 2023 total income was £975,875. Of this figure, £696,242 was received as donations and grants and £278,110 was received from charitable activities. A further £1,523 was received as investment and other income.

Total unrestricted funds carried forward are £183,725. These funds will be used to deliver programmes in line with the charity's objectives.

iheart carries out monthly financial governance meetings attended by Brian Rubenstein (CEO) and Ila Garner-Patel (Chair of Trustees). All financial matters are discussed including risks to the charity and key strategies to manage and mitigate these.

The broader fundraising environment has proven extremely challenging over the past 12 months and particularly over the past 8 months since the financial year end. We have seen that this is true across the charity sector and is not unique to our organisation. In response, and in order to ensure iheart remains a going concern, iheart has reduced its expenditure to correlate with reduced fundraising income, particularly from grant-makers (trusts and foundations). The trustees and management team have implemented this strategy by deciding not to replace departing staff members, consolidating positions/roles and removing other non-essential operating costs wherever possible. The organisation has also elected not to create any new programmes for the time being.

Additionally, the three most senior members of the management team took voluntary pay cuts of 50% from September 2023 in order to help reduce costs. Finally, we have narrowed the focus of the charity to the primary activity of delivering programmes in schools and other educational institutions. All other activities (e.g. facilitator training for adults; podcast, etc) which are deemed 'non-core', have been discontinued, thereby contributing to cost reductions and ensuring that funds raised are used for the primary purpose of the charity, namely wellbeing and resilience programmes in schools.

Despite the above cost reduction measures, the trustees remain uncertain as to the charity's ability to continue as a going concern due to the potential difficulties in obtaining grant income.

Based on the decision taken by the trustees and the management team to scale back the charity's activities, significantly reduce costs and re-focus efforts solely on delivering programmes to young people in schools, and having received recent confirmation of successful grant awards which have improved the charity's financial prospects, the trustees expect that the charity will be able to meet its more limited objectives and continue as a going concern. These accounts have therefore been prepared on a going concern basis.

If the charity were to be wound up, the trustees estimate that the additional costs involved would be approximately £12,500 to cover redundancy costs for current employees and to satisfy existing lease commitments. There would also be a write down of approximately £6,000 to fixed assets to their recoverable value.

Reserves policy

The charity aims to hold sufficient funds in reserves to cover its short-term operating costs along with any funds which have been allocated to designated funds.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2023

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 25 April 2024 and signed on behalf of the board of trustees by:

Ila Garner-Patel

Ila Garner-Patel
Chair of Trustees

iheart Principles Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of iheart Principles Limited

Year ended 30 June 2023

Independent examiner's report to the trustees of iheart Principles Limited ('the Company')

I report to the trustees on my examination of the financial statements of iheart Principles Limited for the year ended 30 June 2023, which are set out on Pages 7 to 18.

Responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act')

Having satisfied myself that the financial statements of the Company are not required to be audited and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Section 386 of the 2006 Act other than any requirement that the financial statements give a true and fair view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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



Philip Dean FCA
Hicks and Company
Chartered Accountants
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

25 April 2024

iheart Principles Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2023

		Year to 30 Jun 23			Year to 30 Jun 22
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	591,716	104,526	696,242	568,636
Charitable activities	6	278,110	-	278,110	415,776
Other income	7	1,235	-	1,235	8,097
Investment income		288	-	288	-
Total income		<u>871,349</u>	<u>104,526</u>	<u>975,875</u>	<u>992,509</u>
Expenditure					
Expenditure on raising funds	8	12,982	-	12,982	50,964
Expenditure on charitable activities	9, 10	826,807	104,526	931,333	1,042,435
Total expenditure		<u>839,789</u>	<u>104,526</u>	<u>944,315</u>	<u>1,093,399</u>
Net income/(expenditures) and net movement in funds		<u>31,560</u>	<u>-</u>	<u>31,560</u>	<u>(100,890)</u>
Reconciliation of funds					
Total funds brought forward		<u>152,165</u>	<u>-</u>	<u>152,165</u>	<u>253,055</u>
Total funds carried forward		<u>183,725</u>	<u>-</u>	<u>183,725</u>	<u>152,165</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

iheart Principles Limited
Company Limited by Guarantee
Statement of Financial Position
30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	16	6,802	6,041
		<u>6,802</u>	<u>6,041</u>
Current assets			
Debtors	17	98,788	60,026
Cash at bank and in hand		142,260	277,465
		<u>241,048</u>	<u>337,491</u>
Creditors: amounts falling due within one year	18	64,125	191,367
Net current assets		<u>176,923</u>	<u>146,124</u>
Total assets less current liabilities		<u>183,725</u>	<u>152,165</u>
Net assets		<u>183,725</u>	<u>152,165</u>
Funds of the charity			
Unrestricted funds		183,725	152,165
Total charity funds	21	<u>183,725</u>	<u>152,165</u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 30 June 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2023 in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 25 April 2024, and are signed on behalf of the board by:

Ila Garner-Patel

Ila Garner-Patel
Chair of Trustees

Company registration number: 10415309

iheart Principles Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 30 June 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net income/(expenditure)		31,560	(100,890)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		2,059	1,453
Accrued expenses		2,356	(560)
<i>Changes in:</i>			
Trade and other debtors		(38,762)	(13,327)
Trade and other creditors		(129,598)	159,086
Cash generated from/(expended on) operations		(132,385)	45,762
Net cash (used)/generated from operating activities		(132,385)	45,762
Cash flows from investing activities			
Purchase of tangible assets		(2,820)	(6,202)
Net cash used in investing activities		(2,820)	(6,202)
Net (decrease)/increase in cash and cash equivalents		(135,205)	39,560
Cash and cash equivalents at beginning of year		277,465	237,905
Cash and cash equivalents at end of year	22	142,260	277,465

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 June 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Vaughan Chambers, Vaughan Road, Harpenden, AL5 4EE.

2. Statement of compliance

These financial statements have been prepared in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

3. Accounting policies **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The broader fundraising environment has proven extremely challenging over the past 12 months and particularly over the past 8 months since the financial year end. We have seen that this is true across the charity sector and is not unique to our organisation. In response, and in order to ensure iheart remains a going concern, iheart has reduced its expenditure to correlate with reduced fundraising income, particularly from grant-makers (trusts and foundations). The trustees and management team have implemented this strategy by deciding not to replace departing staff members, consolidating positions/roles and removing other non-essential operating costs wherever possible. The organisation has also elected not to create any new programmes for the time being.

Additionally, the three most senior members of the management team took voluntary pay cuts of 50% from September 2023 in order to help reduce costs. Finally, we have narrowed the focus of the charity to the primary activity of delivering programmes in schools and other educational institutions. All other activities (e.g. facilitator training for adults; podcast, etc) which are deemed 'non-core', have been discontinued, thereby contributing to cost reductions and ensuring that funds raised are used for the primary purpose of the charity, namely wellbeing and resilience programmes in schools.

Despite the above cost reduction measures, the trustees remain uncertain as to the charity's ability to continue as a going concern due to the potential difficulties in obtaining grant income.

Based on the decision taken by the trustees and the management team to scale back the charity's activities, significantly reduce costs and re-focus efforts solely on delivering programmes to young people in schools, and having received recent confirmation of successful grant awards which have improved the charity's financial prospects, the trustees expect that the charity will be able to meet its more limited objectives and continue as a going concern. These accounts have therefore been prepared on a going concern basis.

If the charity were to be wound up, the trustees estimate that the additional costs involved would be approximately £12,500 to cover redundancy costs for current employees and to satisfy existing lease commitments. There would also be a write down of approximately £6,000 to fixed assets to their recoverable value.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Taxation

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
 - legacy income is recognised when receipt is probable and entitlement is established.
 - income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
 - income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
-

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% straight line
Computer equipment	-	25% to 50% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Impairment of fixed assets

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

4. Limited by guarantee

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations and gifts	309,324	-	309,324
Grants			
Grants receivable	282,392	104,526	386,918
	<u>591,716</u>	<u>104,526</u>	<u>696,242</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations and gifts	455,798	-	455,798
Grants			
Grants receivable	45,770	67,068	112,838
	<u>501,568</u>	<u>67,068</u>	<u>568,636</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
iheart	<u>278,110</u>	<u>278,110</u>	<u>415,776</u>	<u>415,776</u>

7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Royalties	235	235	285	285
Stock sales	-	-	42	42
Rental income	-	-	7,770	7,770
Presentation income	1,000	1,000	-	-
	<u>1,235</u>	<u>1,235</u>	<u>8,097</u>	<u>8,097</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising campaign costs	12,982	12,982	50,964	50,964

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
iheart	2,296	104,526	106,822
Support costs	824,511	-	824,511
	<u>826,807</u>	<u>104,526</u>	<u>931,333</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
iheart	241,179	67,068	308,247
Support costs	734,188	-	734,188
	<u>975,367</u>	<u>67,068</u>	<u>1,042,435</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
iheart	113,585	814,388	927,973	1,037,635
Governance costs	-	3,360	3,360	4,800
	<u>113,585</u>	<u>817,748</u>	<u>931,333</u>	<u>1,042,435</u>

11. Analysis of support costs

	Support costs £	Total 2023 £	Total 2022 £
Staff costs	532,649	532,649	456,066
Contractors and consultants	153,051	153,051	131,984
Office support costs	127,401	127,401	128,620
Governance costs	3,360	3,360	4,800
Accountancy support costs	2,630	2,630	4,447
Bank fees and charges	5,420	5,420	8,271
	<u>824,511</u>	<u>824,511</u>	<u>734,188</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

12. Net income

Net income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	2,059	1,453

13. Independent examination fees/auditors' remuneration

	Year to 2023	Year to 2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	3,360	-
Audit of the financial statements	-	4,800

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	467,897	471,444
Social security costs	51,505	50,966
Employer contributions to pension plans	7,995	7,826
Other staff costs	5,252	5,031
	<u>532,649</u>	<u>535,267</u>

The average head count of employees under employment contracts during the year was 9 (2022: 9).

In the year to 30 June 2023, 4 (2022: 3) employees received employee benefits in excess of £60,000. The number of employees fell into the following bands:

	2023 number	2022 number
£60,000 to £64,999	1	-
£70,000 to £74,999	1	-
£80,000 to £84,999	1	1
£85,000 to £89,999	-	1
£95,000 to £99,999	1	-
£100,000 to £104,999	-	1

The total employee benefits of key management personnel for the charity were £381,792 (2022: £274,500).

15. Trustees

None of the trustees received any remuneration for their services as trustees. The aggregate of donations from related trustees to the charity totalled £15,000 (2022: £25,000).

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

16. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 July 2022	6,159	7,567	13,726
Additions	-	2,820	2,820
At 30 June 2023	<u>6,159</u>	<u>10,387</u>	<u>16,546</u>
Depreciation			
At 1 July 2022	5,785	1,900	7,685
Charge for the year	98	1,961	2,059
At 30 June 2023	<u>5,883</u>	<u>3,861</u>	<u>9,744</u>
Carrying amount			
At 30 June 2023	<u>276</u>	<u>6,526</u>	<u>6,802</u>
At 30 June 2022	<u>374</u>	<u>5,667</u>	<u>6,041</u>

17. Debtors

	2023 £	2022 £
Trade debtors	59,955	56,448
Prepayments and accrued income	1,808	1,597
Other debtors	37,025	1,981
	<u>98,788</u>	<u>60,026</u>

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	896	1,125
Accruals and deferred income	46,281	169,962
Social security and other taxes	15,449	18,659
Other creditors	1,499	1,621
	<u>64,125</u>	<u>191,367</u>

19. Deferred income

	2023 £	2022 £
Amount deferred in year	<u>35,000</u>	<u>161,037</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 30 June 2023

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income and expenditure as an expense in relation to defined contribution plans was £7,995 (2022: £7,826).

21. Analysis of charitable funds

Unrestricted funds

	At 1 July 2022	Income	Expenditure	At 30 June 2023
	£	£	£	£
General funds	<u>152,165</u>	<u>871,348</u>	<u>(839,788)</u>	<u>183,725</u>

	At 1 July 2021	Income	Expenditure	At 30 June 2022
	£	£	£	£
General funds	<u>253,055</u>	<u>925,441</u>	<u>(1,026,331)</u>	<u>152,165</u>

Restricted funds

	At 1 July 2022	Income	Expenditure	At 30 June 2023
	£	£	£	£
Grants received	<u>-</u>	<u>104,527</u>	<u>(104,527)</u>	<u>-</u>

	At 1 July 2021	Income	Expenditure	At 30 June 2022
	£	£	£	£
Grants received	<u>-</u>	<u>67,068</u>	<u>(67,068)</u>	<u>-</u>

22. Analysis of changes in net cash

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	<u>277,465</u>	<u>(135,205)</u>	<u>142,260</u>

23. Related parties

At 30 June 2023 Jeremy Bogush owed the charity £728 (2022: £1,858 which was fully repaid in February 2023) and Brian Rubenstein owed the charity £28 (2022: £nil) which was full repaid in March 2024.

The charity considers these individuals to be related parties to the charity as they are former trustees of the charity.

During the year, the charity recharged expenses of £4,668 (2022: £nil) and passed income of £52,500 (2022: £nil) to Resilimy Ltd, a company that Brian Rubenstein and Terry Rubenstein are shareholders in and directors of. At 30 June 2023 the balance due from Resilimy Ltd to iheart Principles Ltd was £1,268 (2022: £nil).

IHEART PRINCIPLES LIMITED

England & Wales - Charity number 1173025

Accounts

COMPANY REGISTRATION NUMBER: 10415309
CHARITY COMMISSION FOR ENGLAND AND WALES REGISTRATION NUMBER: 1173025
SCOTTISH CHARITY REGISTRATION NUMBER: SC 050190

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
30 June 2022

HICKS AND COMPANY

Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 June 2022

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	6
Statement of financial activities (including income and expenditure account)	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2022.

Reference and administrative details

Registered charity name iheart Principles Limited

**Charity Commission for
England and Wales registration
number** 1173025

**Scottish Charity registration
number** SC 050190

Company registration number 10415309

Principal office 66 Brent Street
Hendon
London
NW4 2ES

Registered office Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

The trustees D L Arenson Resigned 5 July 2022
J C Bull
I C Garner-Patel
A S Kessel

Auditor Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bank Metro Bank

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2022

Structure, governance and management

The charity is a company limited by guarantee and is controlled by its articles and memorandum of association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of the signature of the financial statements were:

- Dana Lisa Arenson (Resigned 5 July 2022)
- Julian Christopher Bull
- Ila Caroline Garner-Patel (Chair of Trustees)
- Anthony Stephen Kessel

iheart recruit and appoint trustees on an annual basis. During a trustee meeting the current leadership team and trustees will recommend suitable candidates. Each of these will be profiled based upon skill set, experience and personality traits. A shortlist is then drawn up and each candidate is interviewed by the CEO (Brian Rubenstein) and the chair of trustees (Ila Garner-Patel). Chosen candidates are then presented at the quarterly trustee meeting and a vote is taken to appoint or not. This vote needs to be unanimous for an appointment to be made.

All new trustees carry out a basic training induction covering the operational and governance policies at iheart. They are also encouraged to attend one of the iheart facilitator courses in order to gain an understanding of our core purpose and what we teach.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The affairs of the charity are governed by the Board of Trustees. They are responsible for setting the strategic direction of the charity, consideration of reserves, risk management, performance review and setting general organisational policy.

iheart carries out monthly and quarterly leadership meetings which are attended by representatives from the leadership team (Brian Rubenstein, Terry Rubenstein, Jeremy Bogush, John Scott and Sandra Patterson). The strategic direction and key decisions are discussed and debated and then presented and agreed with the Trustees in the monthly Trustee meetings.

iheart carries out annual salary audits to ensure all key management personnel are paid in accordance with a fair market rate.

Objectives and activities

The purpose of iheart is to relieve ill mental health and to promote and protect good mental health through the provision of courses and workshops in the subjects of resilience and the principles of innate health.

The main activity undertaken in relation to the purposes is the educating of young people through prevention-based programmes in mental health education, wellbeing and resilience with a focus on young people aged 9-18 years. The accredited iheart resilience training delivers programmes in schools and other youth settings, and offers facilitator training in the iheart curriculum to teachers. The charity also provides additional one-to-one support and online resilience programmes for parents, individuals and groups.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2022

The core objective of the charity is achieved by maximising the delivery of our programme. The strategies in place to achieve this are:

- 1) Training facilitators to deliver the programme to young people in schools, youth groups, private groups, etc.
- 2) The core iheart team to deliver the programme to young people in schools through applying for grants and fundraising.
- 3) iheart is committed to utilising technology to further increase reach. This includes the development of a pre-recorded set of resources that can be delivered without facilitator input.

The trustees have paid due regard to guidance issues by the Charity Commission in deciding what activities the charity should undertake and consider that the activities of the charity have been for the public benefit.

Achievements and performance

During this period iheart has continued to increase the delivery of its curriculum to young people in schools, universities, and private groups, accelerated by the availability of the new ignite digital resilience and wellbeing programme.

iheart continued our delivery of the iheart curriculum to children in schools, with deliveries at both primary and secondary schools, and significantly this financial year saw some of the schools continue delivering and teaching in-house with their staff, trained and supported by iheart. This is a significant step as it enables iheart to become embedded and sustainable within the school's own system.

The creation of ignite was a highlight for the year, creating the first fully digital programme for children aged 9-13, which does not need facilitation or training for teachers. The short, impactful programme was designed to solve the problem of lack of timetable capacity in schools for the full curriculum programme. The programme went live at the end of the financial year, and to date has now reached over 1,800 children.

The iheart training academy expanded with another 120 facilitators from around the world becoming certified iheart facilitators, with facilitators now representing iheart in 33 countries by the year end.

iheart continues in its mission to support young people by also educating and supporting the adults around them in this financial year by expanding our resources and training programmes to reach parents.

iheart sets out clearly defined fundraising activities and financial targets as part of its overall budgeting each year. This budget is reviewed monthly at leadership meetings, and at the AGM attended by the leadership team and board of trustees.

We carried out a successful crowd and match fundraising campaign in February 2022 which proved vital given the tougher climate that we experienced around the availability of grant funding during this financial year.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2022

Financial review

For the period ended 30 June 2022 total income was £992,509. Of this figure, £568,636 was received as donations and grants and £415,776 was received from charitable activities. A further £8,097 was received as other income.

Total unrestricted funds carried forward are £152,165. These funds will be used to deliver programmes in line with the charity's objectives.

iheart carries out monthly financial governance meetings attended by Jeremy Bogush (CSO), Brian Rubenstein (CEO) and Ila Garner-Patel (Chair of Trustees). All financial matters are discussed including risks to the charity and key strategies to manage and mitigate these.

The charity aims to hold sufficient funds in reserves to cover its short-term operating costs along with any funds which have been allocated to designated funds.

iheart has a number of key objectives over the next 12 months.

Primarily we are looking at how we can deliver our programmes to a greater number of young people, and research and experience has shown clearly that digital platforms are the best way for us to do this. Enabling a whole school of children to be reached for similar cost to a year group with facilitated delivery. In order to achieve this, we are carrying out the following activities;

1. Continue to develop and distribute our first new digital product for school delivery – ignite
2. Key strategic partnerships. We are talking to several partners, including other charities and public sector organisations
3. Education providers, to look at how we can increase the reach of iheart
4. iheart is applying for more grants to enable further growth and reach.

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2022

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 27 March 2023 and signed on behalf of the board of trustees by:

Ila Garner-Patel

Ila Garner-Patel
Chair of Trustees

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

Year ended 30 June 2022

Opinion

We have audited the financial statements of iheart Principles Limited (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (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 30 June 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' 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.

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

(continued)

Year ended 30 June 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Trustees Annual Report.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

(continued)

Year ended 30 June 2022

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to charitable companies and the application of charitable funds. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- performing completeness of income tests
- sample testing of purchase and expense invoices for appropriateness and correct allocation
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of trustees' meetings

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

(continued)

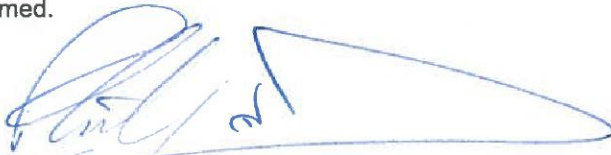
Year ended 30 June 2022

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Philip Dean (Senior Statutory Auditor)
For and on behalf of
Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

27 March 2023

iheart Principles Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2022

		Year to 30 Jun 22			Year to 30 Jun 21
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	501,568	67,068	568,636	523,774
Charitable activities	6	415,776	-	415,776	586,555
Other income	7	8,097	-	8,097	2,785
Total income		<u>925,441</u>	<u>67,068</u>	<u>992,509</u>	<u>1,113,114</u>
Expenditure					
Expenditure on raising funds	8	50,964	-	50,964	74,217
Expenditure on charitable activities	9, 10	975,367	67,068	1,042,435	1,014,115
Total expenditure		<u>1,026,331</u>	<u>67,068</u>	<u>1,093,399</u>	<u>1,088,332</u>
Net (expenditures)/income and net movement in funds		<u>(100,890)</u>	<u>-</u>	<u>(100,890)</u>	<u>24,782</u>
Reconciliation of funds					
Total funds brought forward		253,055	-	253,055	228,273
Total funds carried forward		<u>152,165</u>	<u>-</u>	<u>152,165</u>	<u>253,055</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

iheart Principles Limited
Company Limited by Guarantee
Statement of Financial Position
30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	16	<u>6,041</u>	<u>1,292</u>
		6,041	1,292
Current assets			
Debtors	17	60,026	46,699
Cash at bank and in hand		<u>277,465</u>	<u>237,905</u>
		337,491	284,604
Creditors: amounts falling due within one year	18	<u>191,367</u>	<u>32,841</u>
Net current assets		146,124	251,763
Total assets less current liabilities		<u>152,165</u>	<u>253,055</u>
Net assets		<u>152,165</u>	<u>253,055</u>
Funds of the charity			
Unrestricted funds		<u>152,165</u>	<u>253,055</u>
Total charity funds	21	<u>152,165</u>	<u>253,055</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 27 March 2023, and are signed on behalf of the board by:

Ila Garner-Patel

Ila Garner-Patel
Chair of Trustees

ihart Principles Limited
Company Limited by Guarantee
Statement of Cash Flows
Year ended 30 June 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net (expenditure)/income		(100,890)	24,782
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		1,453	2,827
Amortisation of intangible assets		-	343
Loss on disposal of tangible fixed assets		-	593
Accrued expenses		(560)	2,825
<i>Changes in:</i>			
Stocks		-	1,678
Trade and other debtors		(13,327)	51,720
Trade and other creditors		159,086	(87,129)
Cash generated from/(expended on) operations		45,762	(2,361)
Net cash from operating activities		<u>45,762</u>	<u>(2,361)</u>
Cash flows from investing activities			
Purchase of tangible assets		(6,202)	(1,754)
Net cash used in investing activities		<u>(6,202)</u>	<u>(1,754)</u>
Net increase/(decrease) in cash and cash equivalents		39,560	(4,115)
Cash and cash equivalents at beginning of year		237,905	242,020
Cash and cash equivalents at end of year	22	<u>277,465</u>	<u>237,905</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 June 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales as well as in Scotland. The address of the registered office is Vaughan Chambers, Vaughan Road, Harpenden, AL5 4EE.

2. Statement of compliance

These financial statements have been prepared in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), the Charities Accounts (Scotland) Regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Taxation

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Computer equipment	- 25% to 50% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations and gifts	455,798	-	455,798
Grants			
Grants receivable	45,770	67,068	112,838
	<u>501,568</u>	<u>67,068</u>	<u>568,636</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations and gifts	279,355	-	279,355
Grants			
Grants receivable	39,820	204,599	244,419
	<u>319,175</u>	<u>204,599</u>	<u>523,774</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
iheart	<u>415,776</u>	<u>415,776</u>	<u>586,555</u>	<u>586,555</u>

7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Royalties	285	285	-	-
Stock sales	42	42	-	-
Rental income	7,770	7,770	-	-
Furlough grant income	-	-	2,785	2,785
	<u>8,097</u>	<u>8,097</u>	<u>2,785</u>	<u>2,785</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising campaign costs	<u>50,964</u>	<u>50,964</u>	<u>74,217</u>	<u>74,217</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
iheart	241,179	67,068	308,247
Support costs	734,188	-	734,188
	<u>975,367</u>	<u>67,068</u>	<u>1,042,435</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

9. Expenditure on charitable activities by fund type *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
iheart	643,524	204,599	848,123
Support costs	165,992	-	165,992
	<u>809,516</u>	<u>204,599</u>	<u>1,014,115</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
iheart	308,247	729,388	1,037,635	1,009,675
Governance costs	-	4,800	4,800	4,440
	<u>308,247</u>	<u>734,188</u>	<u>1,042,435</u>	<u>1,014,115</u>

11. Analysis of support costs

	Support costs £	Total 2022 £	Total 2021 £
Staff costs	456,066	456,066	88,499
Contractors and consultants	131,984	131,984	-
Office support costs	128,620	128,620	58,725
Governance costs	4,800	4,800	4,440
Accountancy support costs	4,447	4,447	13,249
Bank fees and charges	8,271	8,271	1,079
	<u>734,188</u>	<u>734,188</u>	<u>165,992</u>

12. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Amortisation of intangible assets	-	343
Depreciation of tangible fixed assets	1,453	2,827
Loss on disposal of tangible fixed assets	-	593

13. Auditors remuneration

	Year to 2022 £	Year to 2021 £
Fees payable for the audit of the financial statements	<u>4,800</u>	<u>4,440</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	471,444	285,753
Social security costs	50,966	24,155
Employer contributions to pension plans	7,826	20,144
Other staff costs	5,031	-
	<u>535,267</u>	<u>330,052</u>

The average head count of employees under employment contracts during the year was 9 (2021: 9).

In the year to 30 June 2021, three employees received remuneration as a combination of salary and fees for practitioner work. Details of amounts paid are given in Note 23. No employees were paid practitioner fees in the year ended 30 June 2022.

In the year to 30 June 2022, three employees received employee benefits in excess of £60,000, two in the band £80,000 to £89,999 and one in the band £100,000 to £109,999. The total employee benefits of key management personnel for the charity were £274,500.

15. Trustees

None of the trustee received any remuneration for their services as trustees.

The aggregate of donations from related parties to the charity totalled £25,000 (2021: £3,500).

16. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 July 2021	5,770	1,754	7,524
Additions	389	5,813	6,202
At 30 June 2022	<u>6,159</u>	<u>7,567</u>	<u>13,726</u>
Depreciation			
At 1 July 2021	5,598	634	6,232
Charge for the year	187	1,266	1,453
At 30 June 2022	<u>5,785</u>	<u>1,900</u>	<u>7,685</u>
Carrying amount			
At 30 June 2022	<u>374</u>	<u>5,667</u>	<u>6,041</u>
At 30 June 2021	<u>172</u>	<u>1,120</u>	<u>1,292</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

17. Debtors

	2022	2021
	£	£
Trade debtors	56,448	44,954
Prepayments and accrued income	1,597	756
Other debtors	1,981	989
	<u>60,026</u>	<u>46,699</u>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,125	2,870
Accruals and deferred income	169,962	16,985
Social security and other taxes	18,659	11,853
Wages and salaries control	-	-
Other creditors	1,621	1,133
	<u>191,367</u>	<u>32,841</u>

19. Deferred income

	2022	2021
	£	£
Amount deferred in year	<u>161,037</u>	<u>7,500</u>

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income and expenditure as an expense in relation to defined contribution plans was £7,826 (2021: £20,144).

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

21. Analysis of charitable funds

Unrestricted funds

	At 1 July 2021 £	Income £	Expenditure £	At 30 June 2022 £
General funds	<u>253,055</u>	<u>925,441</u>	<u>(1,026,331)</u>	<u>152,165</u>

	At 1 July 2020 £	Income £	Expenditure £	At 30 June 2021 £
General funds	<u>228,273</u>	<u>908,515</u>	<u>(883,733)</u>	<u>253,055</u>

Restricted funds

	At 1 July 2021 £	Income £	Expenditure £	At 30 June 2022 £
Grants received	<u>–</u>	<u>67,068</u>	<u>(67,068)</u>	<u>–</u>

	At 1 July 2020 £	Income £	Expenditure £	At 30 June 2021 £
Grants received	<u>–</u>	<u>204,599</u>	<u>(204,599)</u>	<u>–</u>

22. Analysis of changes in net cash

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	<u>237,905</u>	<u>39,560</u>	<u>277,465</u>

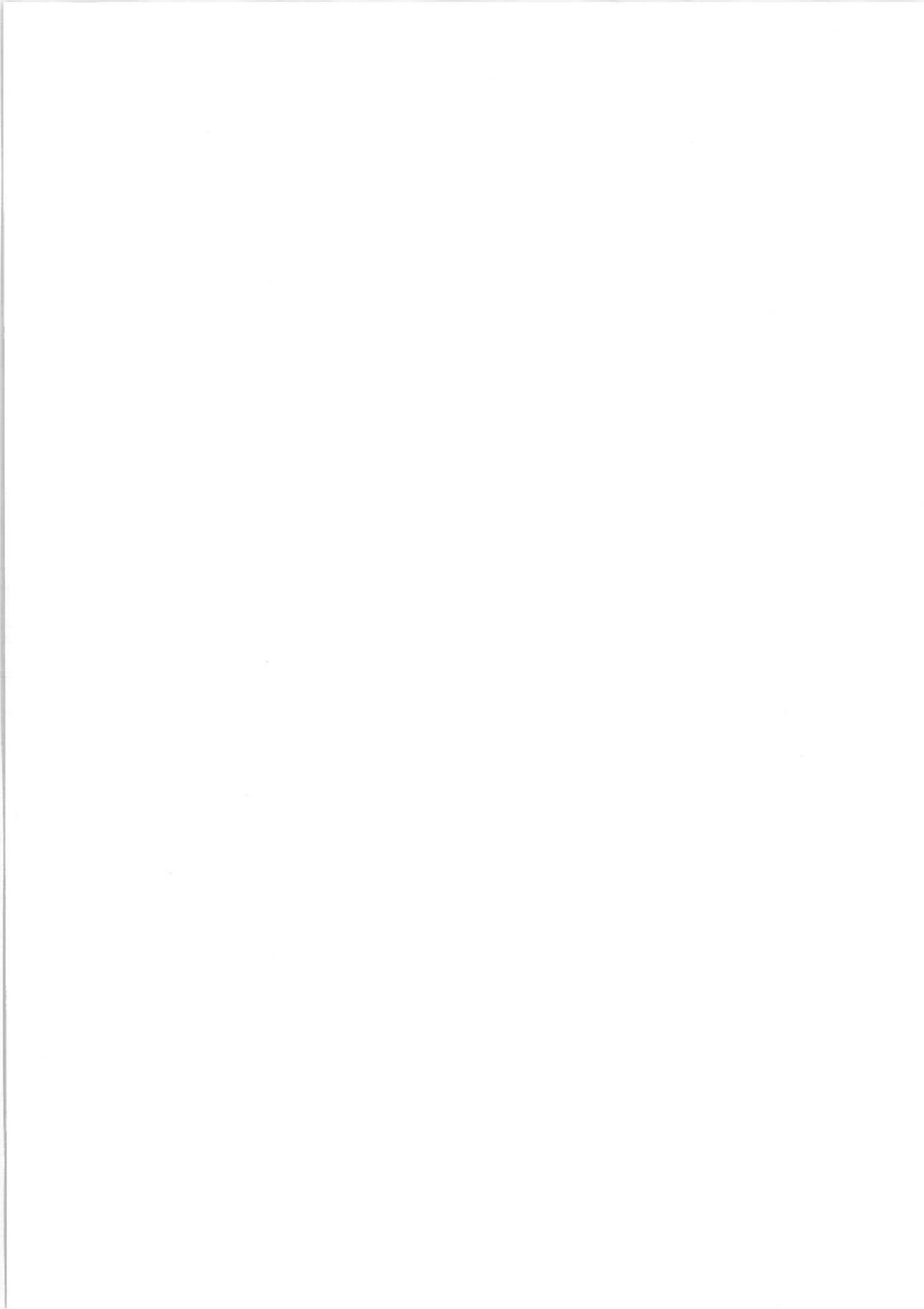
23. Related parties

The Trustees consider that the following individuals are related parties to the charity as they are former Trustees. During the year ended 30 June 2021, the charity entered into the following transactions with related parties:

	Practitioner fees £	Salary £	Pension contributions £	Year ended 30 June 21 £
Jeremy Bogush, Chief Operating Officer	34,900	44,337	897	80,134
Terry Rubenstein, Founder	30,650	31,374	7,975	69,999
Brian Rubenstein, Chief Executive Officer	32,050	49,189	8,397	89,636
	<u>97,600</u>	<u>124,900</u>	<u>17,269</u>	<u>239,769</u>

In the year ended 30 June 2022, there were no practitioner fees incurred in relation to the above individuals and accordingly no similar related party disclosures are required for the year.

At 30 June 2022 Jeremy Bogush owed the charity £1,858 which was fully repaid in February 2023 (2021: no balances outstanding).



IHEART PRINCIPLES LIMITED

England & Wales - Charity number 1173025

Accounts

COMPANY REGISTRATION NUMBER: 10415309
CHARITY COMMISSION FOR ENGLAND AND WALES REGISTRATION NUMBER: 1173025
SCOTTISH CHARITY REGISTRATION NUMBER: SC 050190

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
30 June 2021

HICKS AND COMPANY
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

iheart Principles Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 June 2021

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	6
Statement of financial activities (including income and expenditure account)	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2021.

Reference and administrative details

Registered charity name iheart Principles Limited

**Charity Commission for
England and Wales registration
number** 1173025

**Scottish Charity registration
number** SC 050190

Company registration number 10415309

Principal office 66 Brent Street
Hendon
London
NW4 2ES

Registered office Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

The trustees D L Arenson
J C Bull (Appointed 27 November 2020)
I C Garner-Patel
A S Kessel (Appointed 27 November 2020)
L J Osborne (Resigned 5 May 2021)

Auditor Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bank Metro Bank

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2021

Structure, governance and management

The charity is a company limited by guarantee and is controlled by its articles and memorandum of association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of the signature of the financial statements were:

Dana Lisa Arenson
Julian Christopher Bull (Appointed 27 November 2020)
Ila Caroline Garner-Patel
Anthony Stephen Kessel (Appointed 27 November 2020)
Leonie Jane Osborne (Resigned 5 May 2021)

iheart recruit and appoint trustees on an annual basis. During a trustee meeting the current leadership team and trustees will recommend suitable candidates. Each of these will be profiled based upon skill set, experience and personality traits. A shortlist is then drawn up and each candidate is interviewed by the CEO (Brian Rubenstein) and the chair of trustees (Dana Arenson). Chosen candidates are then presented at the quarterly trustee meeting and a vote is taken to appoint or not. This vote needs to be unanimous for an appointment to be made.

All new trustees carry out a basic training induction covering the operational and governance policies at iheart. They are also encouraged to attend one of the iheart facilitator courses in order to gain an understanding of our core purpose and what we teach.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The affairs of the charity are governed by the Board of Trustees. They are responsible for setting the strategic direction of the charity, consideration of reserves, risk management, performance review and setting general organisational policy.

iheart carries out monthly and quarterly leadership meetings which are attended by the leadership team (Brian Rubenstein, Terry Rubenstein, Jeremy Bogush) plus one representative from the board of trustees (in most cases this will be Dana Arenson, Head of Trustees). The strategic direction and key decisions are discussed and debated and then presented and agreed with the head of trustees (Dana Arenson), who represents the wider trustee board.

iheart carries out annual salary audits to ensure all key management personnel are paid in accordance with a fair market rate.

Objectives and activities

The purpose of iheart is to relieve ill mental health and to promote and protect good mental health through the provision of courses and workshops in the subjects of resilience and the principles of innate health.

The main activity undertaken in relation to the purposes is the educating of young people through prevention-based programmes in mental health education, wellbeing and resilience with a focus on young people aged 9-18 years. The accredited iheart resilience training delivers programmes in schools and other youth settings, and offers facilitator training in the iheart curriculum to teachers. The charity also provides additional one-to-one support and online resilience programmes for parents, individuals and groups.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2021

The core objective of the charity is achieved by maximising the delivery of our programme. The strategies in place to achieve this are:

- 1) Training facilitators to deliver the programme to young people in schools, youth groups, private groups, etc.
- 2) The core iheart team to deliver the programme to young people in schools through applying for grants and fundraising.
- 3) iheart is committed to utilising technology to further increase reach. This includes the development of pre-recorded set of resources that can be delivered without facilitator input.

The trustees have paid due regard to guidance issues by the Charity Commission in deciding what activities the charity should undertake and consider that the activities of the charity have been for the public benefit.

Achievements and performance

During this period iheart has continued to increase the delivery of its curriculum to young people in schools, universities and private groups.

iheart continued our delivery of the iheart curriculum to children in schools, with deliveries at both primary and secondary schools, and significantly this financial year saw some of the schools delivering and teaching in-house with their staff, trained and supported by iheart, delivering directly to the children themselves. This is a significant step as it enables iheart to become embedded and sustainable within the school's own system, rather than it being a "bought in" resource.

The iheart training academy expanded with over 180 facilitators from around the world becoming certified iheart facilitators. The shift to a digital course in the previous year, necessitated by Covid, has resulted in a much more global reach for our vision and our training, with facilitators representing iheart in 18 countries by the year end.

Additionally, the iheart training academy was accredited by the Matrix standard in February 2021, a significant step which benchmarks the depth quality of the training information provided to facilitators.

iheart continues in its mission to support young people by also educating and supporting the adults around them in this financial year by expanding our resources and training programmes to reach parents. The Creating a Resilient Families digital programme launched in March 2021, a low cost, easy accessed online course that parents can self-study, educating how understanding how our wellbeing is innate can result in a step shift in how adults parent.

In March 2021, iheart ran a very well attended virtual conference, attended by leaders and practitioners in education and mental health arenas, and significantly relevant for iheart's vision, by over a thousand parents.

iheart sets out clearly defined fundraising activities and financial targets as part of its overall budgeting each year. This budget is reviewed monthly at leadership meetings, and at the AGM attended by the leadership team and board of trustees.

We carried out a successful crowd and match fundraising campaign in December 2020 which proved vital given the tougher climate that we experienced around the availability of grant funding during this financial year.

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2021

Financial review

For the period ended 30 June 2021 total income was £1,113,114. Of this figure, £523,774 was received as donations and grants and £586,555 was received from charitable activities. A further £2,785 was received as other income.

Total unrestricted funds carried forward is £253,055. These funds have been allocated as follows;

General contingency fund	£147,289
Programme delivery fund	£52,149
Product development	£34,617
Capital improvement costs	£19,000

iheart carries out monthly financial governance meetings attended by Jeremy Bogush (CSO), Brian Rubenstein (CEO), Dana Arenson (Chair of Trustees), and Ila Garner-Patel (Trustee with financial background). All financial matters are discussed including risks to the charity and key strategies to mitigate and manage these.

The charity aims to hold sufficient funds in reserves to cover its short-term operating costs along with funds which have been allocated to the identified designated funds listed above.

iheart has a number of key objectives over the next 12 months.

Primarily we are looking at how we can deliver our programmes to a greater number of young people, and research and experience has shown clearly that digital platforms are the best way for us to do this. Enabling a whole school of children to be reached for similar cost to a year group with facilitated delivery. In order to achieve this we are carrying out the following activities;

1. Distribution of our first new digital product for school delivery – ignite
2. Reviewing and appraising the best corporate structure for achieving the widest and most efficient distribution of this and future similar products to reach the maximum number of children.
3. Key strategic partnerships. We are talking to several partners, including corporates and education providers, to look at how we can increase the reach of iheart and to utilise more sophisticated technology solutions for increased delivery.
4. iheart is applying for more grants to enable further growth and reach.

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
 - make judgments and accounting estimates that are reasonable and prudent;
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
-

iheart Principles Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2021

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 31 March 2022 and signed on behalf of the board of trustees by:

Dana Arenson

D L Arenson
Trustee

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

Year ended 30 June 2021

Opinion

We have audited the financial statements of iheart Principles Limited (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (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 30 June 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' 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.

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

(continued)

Year ended 30 June 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Trustees Annual Report.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

(continued)

Year ended 30 June 2021

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to charitable companies and the application of charitable funds. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- performing completeness of income tests
- sample testing of purchase invoices for appropriateness and correct allocation
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of trustees' meetings

iheart Principles Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of iheart Principles Limited

(continued)

Year ended 30 June 2021

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Philip Dean (Senior Statutory Auditor)
For and on behalf of
Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

31 March 2022

iheart Principles Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2021

		Year to 30 Jun 21			Year to 30 Jun 20
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	319,175	204,599	523,774	382,964
Charitable activities	6	586,555	-	586,555	541,436
Other income	7	2,785	-	2,785	3,159
Total income		<u>908,515</u>	<u>204,599</u>	<u>1,113,114</u>	<u>927,559</u>
Expenditure					
Expenditure on raising funds	8	74,217	-	74,217	9,765
Expenditure on charitable activities	9, 10	809,516	204,599	1,014,115	729,127
Total expenditure		<u>883,733</u>	<u>204,599</u>	<u>1,088,332</u>	<u>738,892</u>
Net income and net movement in funds		<u>24,782</u>	<u>-</u>	<u>24,782</u>	<u>188,667</u>
Reconciliation of funds					
Total funds brought forward		228,273	-	228,273	39,606
Total funds carried forward		<u>253,055</u>	<u>-</u>	<u>253,055</u>	<u>228,273</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

iheart Principles Limited
Company Limited by Guarantee
Statement of Financial Position
30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	16	-	343
Tangible fixed assets	17	1,292	2,958
		<u>1,292</u>	<u>3,301</u>
Current assets			
Stocks	18	-	1,678
Debtors	19	46,699	98,419
Cash at bank and in hand		237,905	242,020
		<u>284,604</u>	<u>342,117</u>
Creditors: amounts falling due within one year	20	<u>32,841</u>	<u>117,145</u>
Net current assets		<u>251,763</u>	<u>224,972</u>
Total assets less current liabilities		<u>253,055</u>	<u>228,273</u>
Net assets		<u>253,055</u>	<u>228,273</u>
Funds of the charity			
Unrestricted funds		253,055	228,273
Restricted funds		-	-
Total charity funds	23	<u>253,055</u>	<u>228,273</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 31 March 2022, and are signed on behalf of the board by:

Dana Arenson

D L Arenson
Trustee

iheart Principles Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 30 June 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income		24,782	188,667
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		2,827	2,483
Amortisation of intangible assets		343	413
Loss on disposal of tangible fixed assets		593	-
Accrued expenses		2,825	1,500
<i>Changes in:</i>			
Stocks		1,678	(358)
Trade and other debtors		51,720	(21,801)
Trade and other creditors		(87,129)	58,098
Cash (expended on)/generated from operations		(2,361)	229,002
Net cash from operating activities		<u>(2,361)</u>	<u>229,002</u>
Cash flows from investing activities			
Purchase of tangible assets		(1,754)	(250)
Net cash used in investing activities		<u>(1,754)</u>	<u>(250)</u>
Net (decrease)/increase in cash and cash equivalents		(4,115)	228,752
Cash and cash equivalents at beginning of year		242,020	13,268
Cash and cash equivalents at end of year	24	<u>237,905</u>	<u>242,020</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 June 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales as well as in Scotland. The address of the registered office is Vaughan Chambers, Vaughan Road, Harpenden, AL5 4EE.

2. Statement of compliance

These financial statements have been prepared in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), the Charities Accounts (Scotland) Regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Taxation

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

ihart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Intangible assets - 25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 25% straight line
Computer equipment - 25% to 50% straight line

ihart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

ihart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations and gifts	279,355	–	279,355
Grants			
Grants receivable	39,820	204,599	244,419
	<u>319,175</u>	<u>204,599</u>	<u>523,774</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations and gifts	97,695	–	97,695
Grants			
Grants receivable	81,400	203,869	285,269
	<u>179,095</u>	<u>203,869</u>	<u>382,964</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
iheart	<u>586,555</u>	<u>586,555</u>	<u>541,436</u>	<u>541,436</u>

7. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Royalties	-	-	697	697
Stock sales	-	-	535	535
Furlough grant income	2,785	2,785	1,927	1,927
	<u>2,785</u>	<u>2,785</u>	<u>3,159</u>	<u>3,159</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fundraising campaign costs	<u>74,217</u>	<u>74,217</u>	<u>9,765</u>	<u>9,765</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
iheart	643,524	204,599	848,123
Support costs	165,992	–	165,992
	<u>809,516</u>	<u>204,599</u>	<u>1,014,115</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

9. Expenditure on charitable activities by fund type *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
iheart	387,335	203,869	591,204
Support costs	137,923	–	137,923
	<u>525,258</u>	<u>203,869</u>	<u>729,127</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
iheart	848,123	161,552	1,009,675	724,807
Governance costs	–	4,440	4,440	4,320
	<u>848,123</u>	<u>165,992</u>	<u>1,014,115</u>	<u>729,127</u>

11. Analysis of support costs

	Support costs £	Total 2021 £	Total 2020 £
Staff costs	88,499	88,499	61,282
Governance costs	4,440	4,440	4,320
Office support costs	58,725	58,725	45,605
Accountancy support costs	13,249	13,249	25,816
Bank fees and charges	1,079	1,079	900
	<u>165,992</u>	<u>165,992</u>	<u>137,923</u>

12. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Amortisation of intangible assets	243	413
Depreciation of tangible fixed assets	2,827	2,483
Loss on disposal of tangible fixed assets	593	–
	<u>3,663</u>	<u>2,900</u>

13. Auditors remuneration

	Year to 30 Jun 21 £	Year to 30 Jun 20 £
Fees payable for the audit of the financial statements	<u>4,440</u>	<u>4,320</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Year to 30 Jun 21	Year to 30 Jun 20
	£	£
Wages and salaries	285,753	223,632
Social security costs	24,155	16,731
Employer contributions to pension plans	20,144	4,767
	<u>330,052</u>	<u>245,130</u>

The average head count of employees during the year was 9 (2020: 8).

Three employees received remuneration as a combination of salary and fees for practitioner work. Details of amounts paid are given in Note 25.

15. Trustees

None of the trustee received any remuneration for their services as trustees.

The aggregate of donations from related parties to the charity totalled £3,500 (2020: £1,264).

16. Intangible assets

	Website design £
Cost	
At 1 July 2020	1,650
Disposals	(1,650)
At 30 June 2021	<u>-</u>
Amortisation	
At 1 July 2020	1,307
Charge for the year	343
Disposals	(1,650)
At 30 June 2020	<u>-</u>
Carrying amount	
At 30 June 2021	<u>-</u>
At 30 June 2020	<u>343</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

17. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 July 2020	7,676	2,436	10,112
Additions	-	1,754	1,754
Disposals	(1,906)	(2,436)	(4,342)
At 30 June 2021	<u>5,770</u>	<u>1,754</u>	<u>7,524</u>
Depreciation			
At 1 July 2020	5,874	1,280	7,154
Charge for the year	1,630	1,197	2,827
Disposals	(1,906)	(1,843)	(3,749)
At 30 June 2021	<u>5,598</u>	<u>634</u>	<u>6,232</u>
Carrying amount			
At 30 June 2021	<u>172</u>	<u>1,120</u>	<u>1,292</u>
At 30 June 2020	<u>1,802</u>	<u>1,156</u>	<u>2,958</u>

18. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>-</u>	<u>1,678</u>

19. Debtors

	2021 £	2020 £
Trade debtors	44,954	93,916
Prepayments and accrued income	756	3,053
Other debtors	989	1,450
	<u>46,699</u>	<u>98,419</u>

20. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,870	13,039
Accruals and deferred income	16,985	97,217
Social security and other taxes	11,853	5,920
Wages and salaries control	-	1
Other creditors	1,133	968
	<u>32,841</u>	<u>117,145</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

21. Deferred income

	2021	2020
	£	£
Amount deferred in year	<u>7,500</u>	<u>90,557</u>

22. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income and expenditure as an expense in relation to defined contribution plans was £20,144 (2020: £4,767).

23. Analysis of charitable funds

Unrestricted funds

	At 1 July 2020	Income	Expenditure	At 30 June 2021
	£	£	£	£
General funds	<u>228,273</u>	<u>908,515</u>	<u>(883,733)</u>	<u>253,055</u>

	At 1 July 2019	Income	Expenditure	At 30 June 2020
	£	£	£	£
General funds	<u>39,606</u>	<u>723,690</u>	<u>(535,023)</u>	<u>228,273</u>

Restricted funds

	At 1 July 2020	Income	Expenditure	At 30 June 2021
	£	£	£	£
Grants received	<u>–</u>	<u>204,599</u>	<u>(204,599)</u>	<u>–</u>

	At 1 July 2019	Income	Expenditure	At 30 June 2020
	£	£	£	£
Grants received	<u>–</u>	<u>203,869</u>	<u>(203,869)</u>	<u>–</u>

24. Analysis of changes in net debt

	At 1 July 2020	Cash flows	At 30 June 2021
	£	£	£
Cash at bank and in hand	<u>242,020</u>	<u>(4,115)</u>	<u>237,905</u>

iheart Principles Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

25. Related parties

The Trustees consider that the following individuals are related parties to the charity by nature of their positions held. During the period, the charity entered into the following transactions with related parties:

	Practitioner fees £	Salary £	Pension contributions £	30 June 21 £	30 June 20 £
Jeremy Bogush, Chief Operating Officer	34,900	44,337	897	80,134	61,375
Terry Rubenstein, Founder	30,650	31,374	7,975	69,999	64,857
Brian Rubenstein, Chief Executive Officer	<u>32,050</u>	<u>49,189</u>	<u>8,397</u>	<u>89,636</u>	<u>78,271</u>
	<u>97,600</u>	<u>124,900</u>	<u>17,269</u>	<u>239,769</u>	<u>204,503</u>

At the 30 June 2020 Jeremy Bogush owed the charity £603 which was fully repaid in October 2020.