



HeartsTogether

Registered Charity No: 1183181

Report of the Trustees & unaudited financial statements

for the year ended 31st December 2021

for Hearts Together CIO

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Trustees annual report for the year ended 31st December 2021

Registered Charity Number: 1183181

Registered Office: Hearts Together, 7 Blunts Lane, Plymouth, PL6 8BE

Trustees:

The Trustees present their report and the financial statements for the year ended 31st December 2021. The trustees up to the date of this report are as follows:

- Mr Rob Antrobus – Joint Interim Chair (Retired April 2021)
- Mr Ian Smith – Joint Interim Chair
- Mr Rob Harder
- Mr Tony Richardson
- Mrs Nia Thielmann
- Mr Nigel Roy
- Mrs Liz Harding (CEO)
- Ms Aurora Buia (Appointed Jan 2021)
- Mr Michael Foundly (Appointed Jan 2021, Joint Interim Chair April 2021)

Accountants: Barretts Chartered Accountants, 22 Union Street, Newton Abbot, TQ12 2JS

Bankers: CAF Bank, 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ

The financial statements comply with the Charities Act 2011, the Constitution and Accounting and Reporting by Charities: Statement of recommended practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) effective 1st January 2015.

1. Structure, governance & management

Hearts Together is a charitable incorporated organisation (CIO), registered as a charity on 29th April 2019 and which is governed by its constitution.

The charity is operated by a management committee which includes the Trustees. The committee meets a minimum of four times a year.

New Trustees are recruited as per the charity's 'Trustee Recruitment Policy' and when appointed are briefed on their legal obligations under charity law. As part of their induction programme, they meet with other Trustees and key members of staff.

All trustees give their time freely and no remuneration was paid to Trustees in the year.

2. Risk Management

A risk register is in use and is regularly reviewed and updated as the operational team and board of Trustees identify major risks to which the charity is exposed.

The charity has also progressed its build expansion project during the year and due to the size and scale of the project, a separate risk register has been established to monitor these specific activities.

3. Objectives & activities for public benefit

The objects of the charity as set out in our constitution are:

The relief of sickness in such ways as the trustees think fit, with specialist but not exclusive expertise in relation to sufferers of heart disease, in particular (without limitation) by:

(a) providing accommodation for people suffering from illness and undergoing treatment at medical centres in the South West of England and their family members and persons supporting them, and for healthcare practitioners and those training in health-related activities;

(b) providing or assisting in the provision of counselling and other support services to meet the needs of such persons, and to medical professionals linked to or engaged in the treatment or care of such persons;

(c) promoting initiatives supporting the prevention, treatment and cure of sickness including promoting research and publishing the useful results; and

(d) providing and assisting in the provision of services, facilities and equipment ancillary to, or not normally provided by, the statutory authorities.

The Trustees have complied with their duty as per section 17(5) of the 2011 Charities Act and have had due regard to public benefit guidance published by the Charity Commission in agreeing the activities required to meet its objectives.

The areas of public benefit are detailed in the 'Achievements & performance' section of this report, however in summary the following benefits have been realised during this reporting period:

- 1106 guests stayed at our Hospital Hotel accommodation during 2021
- 146 guests accessed our on-site and remote counselling services during the 6-month pilot
- The East Wing and communal areas were renovated and guests are now able to fully self-cater and to have catered services provided by the charity
- 152 patients received care as part of the Care Hotel provision undertaken at Hearts Together to support the COVID-19 efforts
- An all-electric vehicle has been purchased to provide shuttle services for guests
- Planning permission has been granted for our build project

4. Achievements & performance in detail

4.1 Hearts Together Hospital Hotel

2021 has been another challenging year for the charity as COVID-19 has continued to rage on and our health care services have been stretched to their elastic limit and beyond. Whilst it was hoped that we would see a resumption of 'usual' services in the early part of the year, only the final months of the year showed any promise of any return to 'normality'.

Hearts Together continued to support the COVID-19 efforts into 2021, acting as a 'Care Hotel' contracted by Plymouth City Council, for 8 months of the year from January to the end of March and then again from June until the end of October. During this time a total of 152 patients were supported by the Care Hotel with an average length of stay of 4.65 days from January to March, increasing to between 5 and 30 days between June and October as the home care system became increasingly under resourced and over-subscribed.

During this period, Hearts Together retained a full wing of bedrooms for the patients, carers, relatives and healthcare professionals the charity supports on a day-to-day basis, ensuring that we were able to continue to operate as usual for those who needed our support.

The mix of Care Hotel and Hospital Hotel functions resulted in an average occupancy for the year of 75.5%, which was a key contributor to the increase in revenue levels seen in 2021 versus the previous year.

The end of the Care Hotel contract in October provided the ideal opportunity to complete our refurbishment works, renovating the remaining wing and communal areas. The board also took the decision to convert one of our bedrooms into a fully functional kitchen to provide catered services and improved provisions for our guests.

The feedback from our guests regarding these upgrades and improvements has been unanimously positive and we are looking forward to further enhancing our support services by establishing a free lunch provision in 2022.

The furniture and furnishings replaced during the year, were donated to The Salvation Army and Young Devon which we hope will continue to provide long-term benefits for individuals in need.

Throughout the year the charity has provided free and subsidised stays for guests in financial hardship or facing difficult circumstances such as end of life and critical care scenarios. During the year, 41 guests stayed free of charge and 54 guests stayed for 113 nights on a reduced rate basis.

4.2 Hearts Together – Supporting You

The Hearts Together team has continued to provide invaluable support for the guests who have found themselves in need of our services throughout the year. From practical help to reassurance during difficult times, the team have been steadfast in their continued commitment to make a positive difference to our guests.

Our successful application for grant funding from the Livewell Foundation saw the commencement of a pilot on-site counselling in June which ran until December. During this time, 146 guests accessed the service, with 100% of guests reporting that speaking with someone had helped. Of these 146 guests, 4 individuals went on to receive remote counselling via the Hearts Together counselling team, giving detailed feedback as to how the service had benefitted them in difficult circumstances.

The success of the pilot has resulted in a decision to continue the service on a longer-term basis and to grow the support team to encompass additional qualified and student counsellors. This expansion of the service will provide support for guests Monday to Friday evenings with ad-hoc cover as required over weekends and during the day. We will continue to gather impact and outcome data and feedback to assess the efficacy of the service throughout 2022, revising and adapting as the service evolves with input from guests and our support team.

Our plans for 2022 include welcome home packs for long stay guests and welfare calls pre and post stay to offer additional support and reassurance when needed. Our free lunch service will assist in reducing the financial burden associated with staying away from home and we will continue to ask our guests for their suggestions as to how we can further develop services to meet their needs.

4.3 Hearts Together – In the Community

We were successful in our application to the Co-Op Good Causes and our local community raised £5,643.52 throughout the year towards the purchase of our all-electric shuttle vehicle. We were also supported by the Camelford Group who donated £20K, raised pre-COVID, to support the purchase. As the new vehicle is fully electric, we were also able to access £2,835.16 of funding from Plymouth City Council via their Workplace Travel Grant scheme, towards the cost of the 7-seater vehicle.

The past two years have been extremely difficult and we would like to thank our volunteers for their continued support and dedication throughout this time. Special mention must go to Sue Joines and Jan Anders who have proven to be invaluable in supporting our guest services team and we are very grateful to the Room to Reward team for supporting our reward nominations, enabling us to thank Sue and Jan via this scheme.

As we look to 2022 our focus will be on growing our volunteer team and to this end, we will be employing a dedicated Volunteer Co-Ordinator to take this project forward. It is hoped that our volunteers will support with the shuttle service, free lunch provision, gardening projects and general guest support services, working alongside our staff team as valued members of our organisation.

Many of our community fundraisers faced another difficult year with events cancelled or postponed. That said, our trustees Rob and Nigel raised £1,855 at the annual Cardiology Golf Day and Nigel's golf club captaincy raised an incredible £6,061.23. Nia's hot chocolate reindeer raised £200 for the charity and Aurora's cake sales £55.

Hearts Together we also successful in securing a £1K grant from Arnold Clark towards the free lunch service we are due to launch in 2022.

4.4 Hearts Together – Better health, brighter futures

Hearts Together's expansion build project has been the focus of work in this area for 2021 and will likely remain so for the next five years as we edge ever closer to commencing our build.

2021 saw the granting of planning permission to build a new 'north building' and to expand the existing 'south building', which will increase our overall accommodation provision from 26 bedrooms to 73.

The build plans also incorporate spaces to provide services for the local community and additional features and benefits such as a café/restaurant, rehabilitation gym, counselling rooms, meeting and training spaces, roof top terraces, multi-purposes spaces and a sensory garden.

The total build cost is estimated at £11.5M with the first phase (north building) estimated at £6M. We have a great deal of work to do to raise the funds to undertake this project and the help we receive from our supporters will be invaluable in enabling us to reach our goal. We will also be working with specialist fundraising consultants as their knowledge and expertise is required for a project of this size and scale.

To help give some idea of the ambition, here are 3D drawings of the planned development:

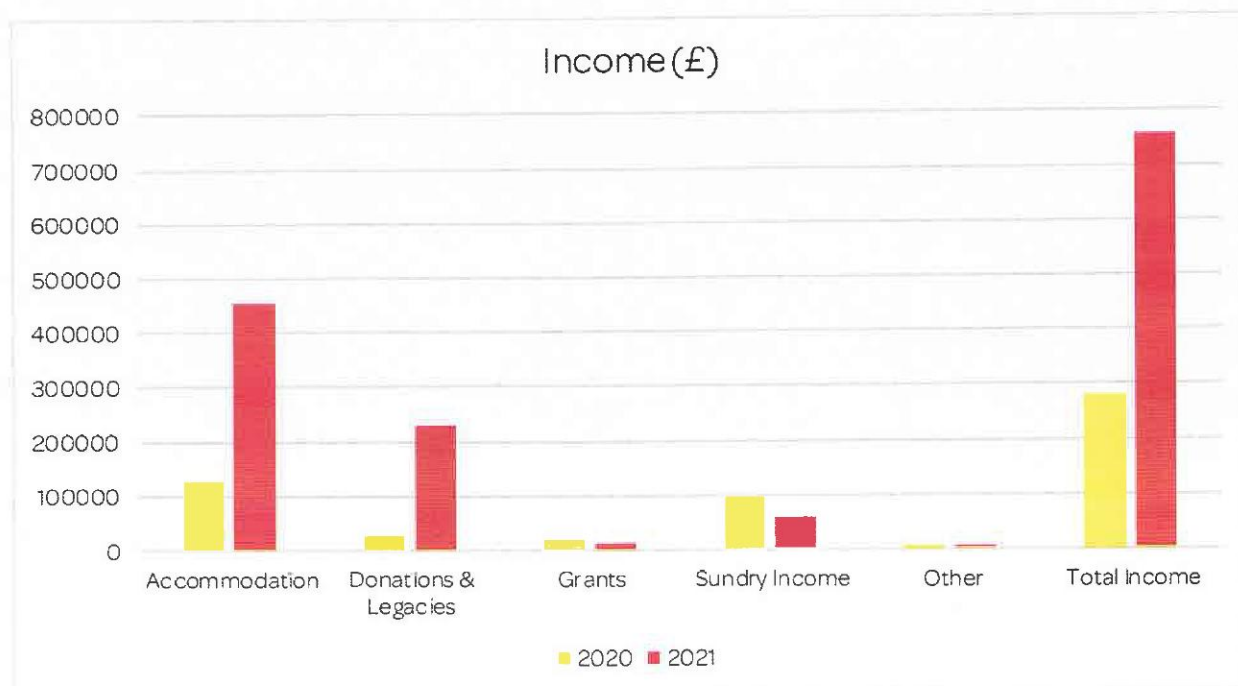


5. Financial review

5.1 Income

The income for the period ending 31st December 2021 was £757,235. This is considerably higher than was forecast and a significant increase on the previous year which saw income levels drop to just £279,643.

The breakdown of funding for the period is as follows:



The accommodation income was greatly improved on the previous year as a direct result of the contracts with Plymouth City Council to operate as a Care Hotel. This income strengthened our financial position and enabled us to carry out the renovation works to the east wing and communal areas.

The sharp increase in donation and legacy income was largely due to a significant gift being left to the charity. The total value of legacy gifts for the year was £195,810.

The Charity was eligible for some COVID support in the year and this is accounted for in the 'sundry income' with a value of £12,553. The remainder of the sundry income comes from our feed in tariff payments, the cardiac catheter lab contract and other charitable activities.

Other income refers to funds generated from fundraising events, legacy defibrillator project funds and investment income. This remains low as our community fundraisers have faced another challenging year as a result of COVID.

The overall funding generated this year has bolstered our reserves and places us in a good financial position to press ahead with our build project in 2022.

5.2 Expenditure

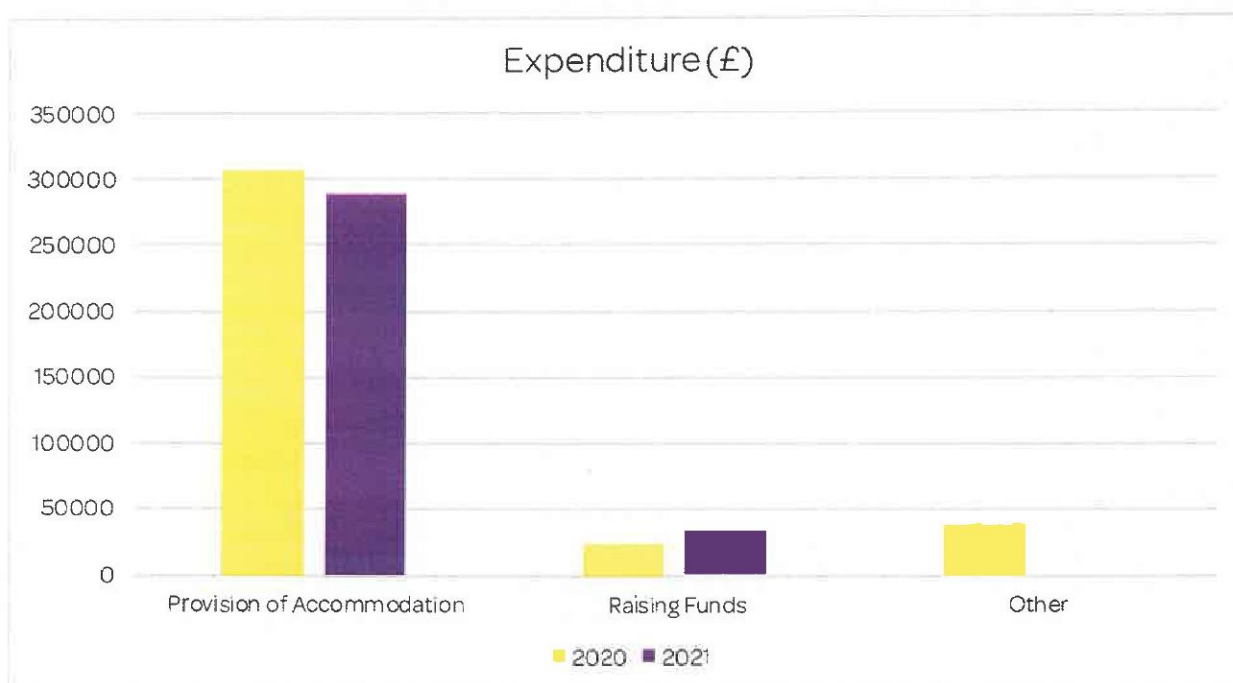
The expenditure for the period was £320,850, a reduction of £48,575 on the previous year. The majority of these savings were as a direct result of a reduction in staffing levels and 'usual' activity levels, in terms of our accommodation provision, whilst operating in part as a Care Hotel.

2022 will see additional team members being recruited, however these will be in different roles as the reorganisation and redesign of the Charity and the services it offers requires different skillsets and competencies.

During 2021 we renovated a further 13 bedrooms of the Hospital Hotel and converted a double room into a fully functional kitchen, creating the ability to provide catered services for guests and enabling long stay guests to have access to an oven and hob to prepare healthy meals and to batch cook.

The main communal areas were also updated with new flooring throughout giving a fresh new look. All internal works are now complete and the focus for 2022 will be our outdoor spaces, reinstating our paths and planting new shrubs which we hope will be 'deer resistant'.

The breakdown of expenditure for the year is as follows:



5.3 Net result

The net result for the year ending 31st December 2021 is a surplus of £436,385. As previously mentioned, this is largely because of the significant legacy gift and the contract with Plymouth City Council.

At this point we expect 2022 will be a more difficult year, as we begin to resume our 'normal' activities whilst COVID rages on.

5.4 Going concern

Despite these unprecedented and challenging circumstances, the charity has remained open and operational for individuals in their time of need. The charity has continued to adapt its delivery model and reviewed its structure and resources to ensure that it remains a going concern.

It is expected that we will see a resumption of some form of 'normality' from mid-2022 onwards and that the impacts of the virus will lessen over time.

In a worst-case scenario of a return to 'lockdown', the charity has sufficient reserves to remain operational for a period of 5-7 years.

6. Reserves

The breakdown of reserves is as follows:

| Reserve Fund | Value |
|--------------|------------|
| General | £1,056,925 |
| Designated | |
| Restricted | £11,073 |

It is intended that the charity will retain free reserves sufficient to cover 12 months core costs, representing the amount to be retained to cover salaries etc. The remainder is to be utilised towards the planned expansion project which is currently estimated to cost in the region of £11.5M, however these have not been formally designated. Based on the 2021 financial statements, 12 months core costs are expected to be £300K.

7. Management policies

The board receive quarterly management accounts which are reviewed at each respective board meeting. Specific projects are discussed more frequently and monitored closely via sub team meetings.

Board members have specific duties in the running of the charity and together with operational staff, have regular work level discussion group meetings to ensure best practice and to track the progress of the charity.

Teamwork is vital if we are to achieve our ambitions and to remain a secure charitable entity. In support of this aim, succession planning and regular board reviews take place alongside trustee appraisals with a commitment to support and develop board members on an on-going basis.

8. Statement of Trustee responsibilities

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

Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are responsible and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation

Trustees are responsible for:

- Keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity
- Safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as the Trustees are aware, there is no relevant information of which the organisation's independent examiners are aware. Each Trustee has taken all steps he or she ought to have taken as a Trustee in order to make him or herself aware of any relevant information and to establish that the organisation's independent examiners are aware of that information.

The Trustees recommend that Barretts remain in office as the independent examiners of the charity and that the charity continues to employ its own in-house Finance Manager to carry out the day to day accounting for the charity.

Approved on behalf of the board of Trustees on:

By name: MICHAEL FOUNLEY

Signature: 

Role: CHAIR

Hearts Together

Report of the Trustees

For The Year Ended 31 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

Ian Barrett

FCA FCIE

Barretts

Chartered Accountants &

Chartered Tax Advisers

22 Union Street

Newton Abbot

Devon

TQ12 2JS

Approved by order of the board of trustees on 26th April 2022 and signed on its behalf by:


.....

Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HEARTS TOGETHER

Independent examiner's report to the trustees of Hearts Together

I report to the charity trustees on my examination of the accounts of Hearts Together (the Trust) for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA FCIE which is one of the listed bodies.

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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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 accounts to be reached.

Ian Barrett
FCA FCIE
Barretts
Chartered Accountants &
Chartered Tax Advisers
22 Union Street
Newton Abbot
Devon
TQ12 2JS

Date:

HEARTS TOGETHER

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 December 2021

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 231,090 | - | 231,090 | 25,850 |
| Charitable activities | 5 | | | | |
| Provision of accommodation | | 452,393 | - | 452,393 | 125,748 |
| Sundry income | | 55,402 | - | 55,402 | 97,274 |
| Grants | | - | 14,479 | 14,479 | 21,526 |
| Other trading activities | 3 | 312 | 1,855 | 2,167 | 6,255 |
| Investment income | 4 | 1,704 | - | 1,704 | 2,990 |
| Total | | 740,901 | 16,334 | 757,235 | 279,643 |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | 27,175 | 5,082 | 32,257 | 23,872 |
| Charitable activities | 7 | | | | |
| Provision of accommodation | | 287,096 | 1,497 | 288,593 | 307,757 |
| Other | | - | - | - | 37,796 |
| Total | | 314,271 | 6,579 | 320,850 | 369,425 |
| NET INCOME/(EXPENDITURE) | | 426,630 | 9,755 | 436,385 | (89,782) |
| Transfers between funds | 16 | 6,900 | (6,900) | - | - |
| Net movement in funds | | 433,530 | 2,855 | 436,385 | (89,782) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 623,395 | 8,218 | 631,613 | 721,395 |
| TOTAL FUNDS CARRIED FORWARD | | <u>1,056,925</u> | <u>11,073</u> | <u>1,067,998</u> | <u>631,613</u> |

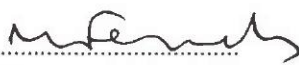
HEARTS TOGETHER

BALANCE SHEET

31 December 2021

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | 66,119 | - | 66,119 | 49,853 |
| Investments | 13 | <u>2,242</u> | <u>-</u> | <u>2,242</u> | <u>2,242</u> |
| | | 68,361 | - | 68,361 | 52,095 |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 196,874 | - | 196,874 | 56,203 |
| Cash at bank | | <u>824,482</u> | <u>11,073</u> | <u>835,555</u> | <u>569,164</u> |
| | | 1,021,356 | 11,073 | 1,032,429 | 625,367 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | <u>(32,792)</u> | <u>-</u> | <u>(32,792)</u> | <u>(45,849)</u> |
| NET CURRENT ASSETS | | <u>988,564</u> | <u>11,073</u> | <u>999,637</u> | <u>579,518</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,056,925</u> | <u>11,073</u> | <u>1,067,998</u> | <u>631,613</u> |
| NET ASSETS | | <u>1,056,925</u> | <u>11,073</u> | <u>1,067,998</u> | <u>631,613</u> |
| FUNDS | 16 | | | | |
| Unrestricted funds | | | | 1,056,925 | 623,395 |
| Restricted funds | | | | <u>11,073</u> | <u>8,218</u> |
| TOTAL FUNDS | | | | <u>1,067,998</u> | <u>631,613</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 26th April 2022 and were signed on its behalf by:


Trustee

HEARTS TOGETHER

CASH FLOW STATEMENT

for the Year Ended 31 December 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>286,661</u> | <u>(91,437)</u> |
| Net cash provided by/(used in) operating activities | | <u>286,661</u> | <u>(91,437)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (21,974) | - |
| Interest received | | 1,606 | 2,894 |
| Dividends received | | <u>98</u> | <u>96</u> |
| Net cash (used in)/provided by investing activities | | <u>(20,270)</u> | <u>2,990</u> |
| Change in cash and cash equivalents in the reporting period | | 266,391 | (88,447) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>569,164</u> | <u>657,611</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>835,555</u> | <u>569,164</u> |

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|--|----------------|-----------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 436,385 | (89,782) |
| Adjustments for: | | |
| Depreciation | 5,708 | 7,020 |
| Interest received | (1,606) | (2,894) |
| Dividends received | (98) | (96) |
| Decrease in stocks | - | 784 |
| Increase in debtors | (140,671) | (16,832) |
| (Decrease)/increase in creditors | (13,057) | 10,363 |
| Net cash provided by/(used in) operations | <u>286,661</u> | <u>(91,437)</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.21 £ | Cash flow £ | At 31.12.21 £ |
|--------------|----------------|----------------|------------------|
| Net cash | | | |
| Cash at bank | <u>569,164</u> | <u>266,391</u> | <u>835,555</u> |
| | <u>569,164</u> | <u>266,391</u> | <u>835,555</u> |
| Total | <u>569,164</u> | <u>266,391</u> | <u>835,555</u> |

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

| | |
|--------------------------|----------------------------|
| Improvements to property | - at varying rates on cost |
| Fixtures and fittings | - 20% on cost |

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

2. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|-----------|-----------------------|----------------------|
| | £ | £ |
| Donations | 35,280 | 15,850 |
| Legacies | <u>195,810</u> | <u>10,000</u> |
| | <u>231,090</u> | <u>25,850</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

3. OTHER TRADING ACTIVITIES

| | 2021 | 2020 |
|------------------------|---------------------|---------------------|
| | £ | £ |
| Fundraising events | 1,967 | 1,540 |
| Sale of defibrillators | <u>200</u> | <u>4,715</u> |
| | <u>2,167</u> | <u>6,255</u> |

4. INVESTMENT INCOME

| | 2021 | 2020 |
|---------------|---------------------|---------------------|
| | £ | £ |
| Dividends | 98 | 96 |
| Bank interest | <u>1,606</u> | <u>2,894</u> |
| | <u>1,704</u> | <u>2,990</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | Activity | 2021 | 2020 |
|-------------------------|----------------------------|-----------------------|-----------------------|
| | | £ | £ |
| Accommodation income | Provision of accommodation | 452,393 | 125,748 |
| Electric feed in tariff | Sundry income | 12,468 | 15,612 |
| Cath Lab | Sundry income | 15,000 | 15,000 |
| Other | Sundry income | 15,381 | 628 |
| Covid-19 support | Sundry income | 12,553 | 66,034 |
| Grants | Grants | <u>14,479</u> | <u>21,526</u> |
| | | <u>522,274</u> | <u>244,548</u> |

6. RAISING FUNDS**Other trading activities**

| | 2021 | 2020 |
|-------------------------|----------------------|----------------------|
| | £ | £ |
| Purchases | 31,303 | 23,557 |
| Event fundraising costs | <u>954</u> | <u>315</u> |
| | <u>32,257</u> | <u>23,872</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

7. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Support costs (see note 8) £ | Totals £ |
|----------------------------|----------------------|---------------------------------------|----------------|
| Provision of accommodation | <u>271,251</u> | <u>17,342</u> | <u>288,593</u> |

8. SUPPORT COSTS

| | Finance £ | Governance costs £ | Totals £ |
|----------------------------|--------------|--------------------------|---------------|
| Provision of accommodation | <u>608</u> | <u>16,734</u> | <u>17,342</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

The CEO, Liz Harding, has been appointed as an ex-officio trustee by the trustees. The constitution of the CIO allows for this appointment and that she may be remunerated for her role as CEO.

The remuneration paid during the year was £45,763 together with pension contributions of £1,748. None of the remuneration was paid for acting as a trustee.

No other trustees received any remuneration or benefits.

Trustees' expenses

| | 2021 £ | 2020 £ |
|--------------------|------------|------------|
| Trustees' expenses | <u>608</u> | <u>217</u> |

10. STAFF COSTS

| | 2021 £ | 2020 £ |
|--------------------|----------------|----------------|
| Wages and salaries | <u>148,096</u> | <u>173,658</u> |
| | <u>148,096</u> | <u>173,658</u> |

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

| | 2021 | 2020 |
|--------------------------|----------|-----------|
| Hotel and administration | <u>7</u> | <u>10</u> |

No employees received emoluments in excess of £60,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|------------------------------------|----------------------------|--------------------------|-----------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 25,850 | - | 25,850 |
| Charitable activities | | | |
| Provision of accommodation | 125,748 | - | 125,748 |
| Sundry income | 97,274 | - | 97,274 |
| Grants | - | 21,526 | 21,526 |
| Other trading activities | 6,255 | - | 6,255 |
| Investment income | <u>2,990</u> | <u>-</u> | <u>2,990</u> |
| Total | 258,117 | 21,526 | 279,643 |
| EXPENDITURE ON | | | |
| Raising funds | 23,722 | 150 | 23,872 |
| Charitable activities | | | |
| Provision of accommodation | 286,278 | 21,479 | 307,757 |
| Other | <u>37,796</u> | <u>-</u> | <u>37,796</u> |
| Total | <u>347,796</u> | <u>21,629</u> | <u>369,425</u> |
| NET INCOME/(EXPENDITURE) | (89,679) | (103) | (89,782) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>713,074</u> | <u>8,321</u> | <u>721,395</u> |
| TOTAL FUNDS CARRIED FORWARD | <u><u>623,395</u></u> | <u><u>8,218</u></u> | <u><u>631,613</u></u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

12. TANGIBLE FIXED ASSETS

| | Improvements to property £ | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|-------------------------------------|----------------------------------|------------------------|----------------------------|----------------|
| COST | | | | | |
| At 1 January 2021 | 88,287 | 65,278 | - | 10,820 | 164,385 |
| Additions | - | - | 21,974 | - | 21,974 |
| Disposals | - | (3,559) | - | - | (3,559) |
| At 31 December 2021 | <u>88,287</u> | <u>61,719</u> | <u>21,974</u> | <u>10,820</u> | <u>182,800</u> |
| DEPRECIATION | | | | | |
| At 1 January 2021 | 39,728 | 64,805 | - | 9,999 | 114,532 |
| Charge for year | 4,414 | 1,294 | - | - | 5,708 |
| Eliminated on disposal | - | (3,559) | - | - | (3,559) |
| At 31 December 2021 | <u>44,142</u> | <u>62,540</u> | <u>-</u> | <u>9,999</u> | <u>116,681</u> |
| NET BOOK VALUE | | | | | |
| At 31 December 2021 | <u>44,145</u> | <u>(821)</u> | <u>21,974</u> | <u>821</u> | <u>66,119</u> |
| At 31 December 2020 | <u>48,559</u> | <u>473</u> | <u>-</u> | <u>821</u> | <u>49,853</u> |

13. FIXED ASSET INVESTMENTS

| | Listed investments £ |
|--|----------------------------|
| MARKET VALUE | |
| At 1 January 2021 and 31 December 2021 | <u>2,242</u> |
| NET BOOK VALUE | |
| At 31 December 2021 | <u>2,242</u> |
| At 31 December 2020 | <u>2,242</u> |

There were no investment assets outside the UK.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|---------------|
| Trade debtors | 8,233 | 28,715 |
| VAT | 11,807 | 14,207 |
| Prepayments and accrued income | <u>176,834</u> | <u>13,281</u> |
| | <u>196,874</u> | <u>56,203</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 22,290 | 36,743 |
| Taxation and social security | 3,775 | 3,302 |
| Other creditors | <u>6,727</u> | <u>5,804</u> |
| | <u>32,792</u> | <u>45,849</u> |

16. MOVEMENT IN FUNDS

| | At 1.1.21 | Net movement in funds | Transfers between funds | At 31.12.21 |
|---------------------------|----------------|-----------------------|-------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 608,395 | 411,630 | 6,900 | 1,026,925 |
| Cath Lab | <u>15,000</u> | <u>15,000</u> | - | <u>30,000</u> |
| | 623,395 | 426,630 | 6,900 | 1,056,925 |
| Restricted funds | | | | |
| Rame Head Fund | 344 | - | - | 344 |
| Awards for All | 7,827 | - | - | 7,827 |
| Screwfix | 47 | - | - | 47 |
| Counselling | - | (1,579) | 1,579 | - |
| Vehicle | - | 8,479 | (8,479) | - |
| Gary Triathlon Fund | - | 1,855 | - | 1,855 |
| Arnold Clark | <u>-</u> | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| | 8,218 | 9,755 | (6,900) | 11,073 |
| TOTAL FUNDS | <u>631,613</u> | <u>436,385</u> | <u>-</u> | <u>1,067,998</u> |

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

| | Incoming resources | Resources expended | Movement in funds |
|---------------------------|--------------------|--------------------|-------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 725,901 | (314,271) | 411,630 |
| Cath Lab | <u>15,000</u> | <u>-</u> | <u>15,000</u> |
| | 740,901 | (314,271) | 426,630 |
| Restricted funds | | | |
| Counselling | 5,000 | (6,579) | (1,579) |
| Vehicle | 8,479 | - | 8,479 |
| Gary Triathlon Fund | 1,855 | - | 1,855 |
| Arnold Clark | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| | 16,334 | (6,579) | 9,755 |
| TOTAL FUNDS | <u>757,235</u> | <u>(320,850)</u> | <u>436,385</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1.1.20 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.20 £ |
|----------------------------|----------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 587,943 | (104,679) | 125,131 | 608,395 |
| Defibrillators | 22,051 | - | (22,051) | - |
| General fundraising/events | 103,080 | - | (103,080) | - |
| Cath Lab | - | 15,000 | - | 15,000 |
| | 713,074 | (89,679) | - | 623,395 |
| Restricted funds | | | | |
| Rame Head Fund | 344 | - | - | 344 |
| Awards for All | 7,977 | (150) | - | 7,827 |
| Screwfix | - | 47 | - | 47 |
| | 8,321 | (103) | - | 8,218 |
| TOTAL FUNDS | <u>721,395</u> | <u>(89,782)</u> | <u>-</u> | <u>631,613</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|----------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 243,117 | (347,796) | (104,679) |
| Cath Lab | 15,000 | - | 15,000 |
| | 258,117 | (347,796) | (89,679) |
| Restricted funds | | | |
| Awards for All | - | (150) | (150) |
| Screwfix | 5,000 | (4,953) | 47 |
| National Lottery Community | 16,526 | (16,526) | - |
| | 21,526 | (21,629) | (103) |
| TOTAL FUNDS | <u>279,643</u> | <u>(369,425)</u> | <u>(89,782)</u> |

The grants from National Lottery Community Fund and Screwfix were to assist with the cost of installing kitchenettes in some of the hotel rooms.

17. RELATED PARTY DISCLOSURES

Hearts Together CIO has a lease agreement with Heartswell South West Ltd for the rental of the property from which the charity operates. The charity will pay annual peppercorn rent if demanded for the term of two years beginning on 20th August 2019.

HEARTS TOGETHER

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 December 2021

| | 2021 £ | 2020 £ |
|---------------------------------|----------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 35,280 | 15,850 |
| Legacies | <u>195,810</u> | <u>10,000</u> |
| | 231,090 | 25,850 |
| Other trading activities | | |
| Fundraising events | 1,967 | 1,540 |
| Sale of defibrillators | <u>200</u> | <u>4,715</u> |
| | 2,167 | 6,255 |
| Investment income | | |
| Dividends | 98 | 96 |
| Bank interest | <u>1,606</u> | <u>2,894</u> |
| | 1,704 | 2,990 |
| Charitable activities | | |
| Accommodation income | 452,393 | 125,748 |
| Electric feed in tariff | 12,468 | 15,612 |
| Cath Lab | 15,000 | 15,000 |
| Other | 15,381 | 628 |
| Covid-19 support | 12,553 | 66,034 |
| Grants | <u>14,479</u> | <u>21,526</u> |
| | <u>522,274</u> | <u>244,548</u> |
| Total incoming resources | 757,235 | 279,643 |
| EXPENDITURE | | |
| Other trading activities | | |
| Goods purchased for re-sale | 31,303 | 23,557 |
| Event fundraising costs | <u>954</u> | <u>315</u> |
| | 32,257 | 23,872 |
| Charitable activities | | |
| Wages | 148,096 | 173,658 |
| Other office expenses | 19,080 | 16,624 |
| Interest payable | - | 1,548 |
| Depreciation of fixed assets | 5,708 | 7,020 |
| Counselling sessions | - | 634 |
| Premises costs | <u>98,367</u> | <u>108,056</u> |
| | 271,251 | 307,540 |

HEARTS TOGETHER

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 December 2021

| | 2021 £ | 2020 £ |
|--|----------------|-----------------|
| Support costs | | |
| Finance | | |
| Trustees' expenses | 608 | 217 |
| Governance costs | | |
| Accountancy, legal and professional fees | 14,302 | 34,459 |
| Irrecoverable VAT | <u>2,432</u> | <u>3,337</u> |
| | <u>16,734</u> | <u>37,796</u> |
| Total resources expended | <u>320,850</u> | <u>369,425</u> |
| Net income/(expenditure) | <u>436,385</u> | <u>(89,782)</u> |