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**HEART N SOUL**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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



# **HEART N SOUL**

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# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **Reference and Administrative Details**

**Charity name:** Heart n Soul

**Charity number:** 1023467

**Company number:** 02830733

### **Registered / Principal office:**

The Albany  
Douglas Way  
Deptford  
London  
SE8 4AG

### **Trustees:**

Kate Linsky, Chair  
Mark Burgess, Vice-Chair  
Simon Platz, Treasurer  
Shalim Ali  
Lilly Cook  
Pino Frumiento  
Hannah Kent  
Michael Price  
Tim Adnitt (appointed 22 October 2018)  
Sue Williams  
Sarah Scott (resigned 30 April 2018)

### **Artistic Director / Chief Executive**

Mark Williams MBE

### **Auditor**

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

## HEART N SOUL

### TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### **Bankers**

HSBC  
275 Greenwich High Road  
Greenwich  
London  
SE10 8NF

#### **Objectives and activities:**

Who we are

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

We believe in the talents and power of people with learning disabilities. We provide opportunities for people to discover, develop and share this power and talent as widely as possible, making a more fun, creative, open and equal world for everyone.

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

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

What we do

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

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

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

# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **How we measure success**

#### **We work towards the following results:**

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

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

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

### **Our Approach**

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

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

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

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

We are continuously flexible and responsive.

We have a lot of fun.

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

## **HEART N SOUL**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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

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

Volunteers both with and without learning disabilities support participants to take part in creative sessions and are part of front of house teams at events, providing information to the public. Typically, around 70 people volunteer each year. Approximately a third of these are regular volunteers who support us for between 6 and 24 days/year, while others are occasional volunteers at events.

#### **Structure, governance and management**

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

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

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

## **HEART N SOUL**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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

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

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

#### **Achievements and performance**

Our residency at the Wellcome Hub was the highlight of 2018/2019. In October 2018 Heart n Soul became the new research residents of The Hub at Wellcome Collection.

Heart n Soul at The Hub is a two year fully funded exploration project about people with learning disabilities and autistic people authentically leading a research process, reversing the microscope so that they are the ones asking their own questions of the public to explore how people with learning disabilities are perceived.

We are working in a collaborative way with disabled, learning disabled, autistic and non-disabled artists and researchers, cultural writers, social scientists, computer scientists and designers.

Through our research we want to challenge society's attitudes towards people with learning disabilities and autistic people. We will be finding out how relationships between people who appear different from each other can affect mutual wellbeing.

The process is revealing a new way to make research both more accessible and more 'human'.

This is the first time in the history of the Hub award that it has been given to an arts organisation.

We continued to deliver our programme of work in Deptford, with national and international impact.

## **HEART N SOUL**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

We supported 24 artists with learning disabilities (up 100% from 2017/18) who had opportunities to develop their skills, creative independence and audience reach.

Our artists gave 75 performances across the UK and internationally reaching 15,874 people (15% increase from 2017/18).

We collaborated with 14 artists and organisations to create new and exciting pieces of art including Wellcome, the London Symphony Orchestra and Tate Modern

Our innovative SoundLab digital music project increased opportunities for our artists, participants and audiences to create music and sound experiences. Our largest public event 'SoundLab Play Rave' held at the Wellcome Collection attracted audiences of over 400 people. SoundLab website users increased from 1,414 to 19,351 users in 2018/19

Allsorts, our creative sessions for adults with learning disability saw an increase of 23% in the number of people attending. Our Young People work was delivered with strong and innovative partnership with organisation such as Tate Modern and Southbank Centre.

#### **Diversity**

We continue to put diversity and the voice of learning disability at the heart of everything we do. This has meant more ownership in the process of how we work and how decisions are taken. This manifests strategically in the way the Board take decisions, with a 60% disabled membership. Artistically, with our artists suggesting creative opportunities and discovering collaborators with whom to personally develop, through to our participatory work where our Allsorts Co-producers have co-produced three out of the four seasons of the year and our young peoples' steering team have encouraged young participants to develop as artists.

#### **Fundraising**

**We would like to thank all our donors. Every pound raised has the biggest impact on the people we work with.**

More people support Heart n Soul by raising funds through sports challenges such as 10k runs. In total, 17 people took part in such events this year, raising £5,547.

We have also increased our fundraising online with tools such as Easyfundraising and the Facebook donation facility.



## **HEART N SOUL**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

#### **We would like to give special thanks to:**

Blackheath Preparatory School  
DIY Space for London  
Heart n Soul Choir  
Kate and Colin Linsky  
Native Instruments  
Michael Price  
Salesforce  
The Big Yellow Self Storage Company  
The Fay and Robert Caplin Foundation  
The Fellows Singers  
Thomas's Battersea

#### **We would also like to thank our funders:**

Arts Council England  
BBC Children in Need  
City Bridge Trust  
Daytrippers  
Esmée Fairbairn Foundation  
Garfield Weston Foundation  
Global Make Some Noise  
Henry Smith Charity  
Heritage Lottery Fund  
Jack Petchey Foundation  
John Ellerman Foundation  
Lewisham Mencap Cranston Fund  
London Borough of Lewisham  
National Lottery Community Fund  
Paul Hamlyn Foundation  
PRS Foundation  
The BRIT Trust  
The Goldsmiths' Company Charity  
The Margaret Dobson Further Education Trust  
The Mercers' Company  
The National Foundation for Youth Music  
The Rix-Thompson-Rotherberg Foundation  
The Sobell Foundation  
The Utley Foundation  
True Colours Trust  
Wellcome Trust

# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **Financial Review**

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

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

We ended the year with a surplus of £34,902 after taking account of funds brought forward from 2017/18.

We started the financial year 2019-2020 in a very strong position, with 90% of our funding confirmed. The next years will prove more challenging as a few of our key multi-year grants will end. We are increasing our fundraising effort to meet our target and maintain our programme.

### **What next**

We look forward to the second year of Heart n Soul at the Hub, where we will be working with a new team of learning disabled and autistic researchers who will help guide our process and lead on new projects.

We will be deep diving into new and enhanced relationships with the BAC, Tate Modern and Wellcome Collection through our new Immersion programme. We will extend our reach and participatory opportunities with local community spaces, venues and galleries though hosting 10 Deptford Club nights.

We will also be exploring new ways to make and share original art and merchandise through our creative business initiative.

## **HEART N SOUL**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

#### **Reserves policy**

The trustees have decided to review the policy on an annual basis, ensuring that sufficient funds are in place to account for wind-up costs of the organisation, contingency costs and a buffer for any unexpected expense. The current level of free reserves, being general funds less unrestricted fixed assets at 31 March 2019 is £159,065 (2018: £127,932).

#### **Trustees' responsibilities statement**

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

## **HEART N SOUL**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

#### **Auditors**

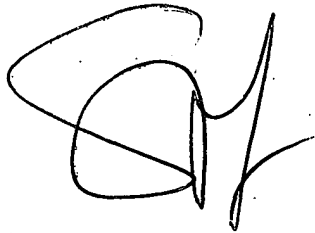
The auditors, Myrus Smith, have expressed their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

#### **Small company exemptions**

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

This report was approved by the trustees on 19 September 2019 and signed on its behalf by:

Simon Platz  
Treasurer

A handwritten signature in black ink, appearing to be 'SP' followed by a stylized flourish.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

## HEART N SOUL

### Opinion

We have audited the financial statements of Heart N Soul (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

## HEART N SOUL

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

### HEART N SOUL

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

**HEART N SOUL**

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.

A handwritten signature in black ink, appearing to read 'K.C. Fisher'.

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

10 October 2019



# HEART N SOUL

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income</b>					
Donations and grants	2	448,724	616,943	1,065,667	855,696
Charitable activities	3	47,190	-	47,190	46,699
Investments	4	235	-	235	137
<b>Total</b>		<u>496,149</u>	<u>616,943</u>	<u>1,113,092</u>	<u>902,532</u>
 Raising funds	5	49,343	-	49,343	44,694
Charitable activities	6	411,761	617,086	1,028,847	810,599
<b>Total</b>		<u>461,104</u>	<u>617,086</u>	<u>1,078,190</u>	<u>855,293</u>
 <b>Net income / (expenditure)</b>	10	35,045	(143)	34,902	47,239
 <b>Transfers between funds</b>		-	-	-	-
 <b>Net movement in funds</b>		35,045	(143)	34,902	47,239
 <b>Reconciliation of funds</b>					
Balance brought forward		132,538	1,103	133,641	86,402
<b>Balance carried forward</b>		<u>£167,583</u>	<u>£960</u>	<u>£168,543</u>	<u>£133,641</u>

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

All income and expenditure derives from continuing activities.

The notes form part of the financial statements.

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

**BALANCE SHEET AS AT 31 MARCH 2019**

		<b>2019</b>		<b>2018</b>	
	<b>Notes</b>	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	13		8,518		4,606
<b>CURRENT ASSETS</b>					
Debtors	14	171,945		66,630	
Cash at Bank and in Hand		175,809		240,110	
		<u>347,754</u>		<u>306,740</u>	
<b>CREDITORS:</b> Amounts falling due within one year	15	<u>187,729</u>		<u>177,705</u>	
<b>NET CURRENT ASSETS</b>			160,025		129,035
<b>NET ASSETS</b>	18		<u>£168,543</u>		<u>£133,641</u>
<b>FUNDS :</b>					
Restricted Funds	17		960		1,103
Unrestricted Funds	17		167,583		132,538
<b>TOTAL FUNDS</b>			<u>£168,543</u>		<u>£133,641</u>

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

The financial statements were approved and authorised by the Trustees on 19 September 2019 and signed on its behalf by:

  
Kate Linsky  
Chair

  
Simon Platz  
Treasurer

The notes form part of the financial statements.

## HEART N SOUL

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
<b>Cash flows from operating activities:</b>		
Net movement in funds per Statement of Financial Activities	34,902	47,239
Adjustments for:		
Depreciation	4,411	8,730
Gains on disposal of tangible fixed assets	-	(379)
(Increase)/decrease in debtors	(105,315)	320
Increase/(decrease) in creditors	10,024	22,197
	<u>(55,978)</u>	<u>78,107</u>
<b>Net cash provided by/(used in) operating activities</b>		
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(8,323)	(2,761)
Proceeds from disposal of tangible fixed assets	-	520
	<u>(8,323)</u>	<u>(2,241)</u>
<b>Net cash provided by/(used in) investing activities</b>		
<b>Increase/(decrease) in cash</b>	(64,301)	75,866
Cash and cash equivalents brought forward	240,110	164,244
<b>Cash and cash equivalents carried forward</b>	<u>£175,809</u>	<u>£240,110</u>
<b>Analysis of cash and cash equivalents</b>	<b>2019 £</b>	<b>2018 £</b>
Cash at bank and in hand	<u>£175,809</u>	<u>£240,110</u>

**HEART N SOUL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) , the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

**Income recognition**

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

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

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

**Expenditure recognition**

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

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

## **HEART N SOUL**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **1. ACCOUNTING POLICIES / cont**

##### **Expenditure recognition /cont**

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

##### **Fund accounting**

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

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

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

##### **Tangible fixed assets and depreciation**

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

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

##### **Debtors and creditors receivable/payable within one year**

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

##### **Leases**

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

##### **Pensions**

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

## HEART N SOUL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

<b>2. DONATIONS AND GRANTS</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
Multi-disciplinary arts	158,636	88,143	246,779	187,618
Taking part	287,311	298,578	585,889	454,853
Training	-	-	-	4,050
Sharing	2,777	3,000	5,777	6,469
Big 30	-	6,600	6,600	202,706
The Hub	-	220,622	220,622	-
	<u>£448,724</u>	<u>£616,943</u>	<u>£1,065,667</u>	<u>£855,696</u>

Of the £855,696 recognised in 2018, £408,578 was unrestricted funds and £447,118 was restricted funds.

Included within the Hub income of £220,622 is a donation in kind valued at £71,687, this being the estimated cost of services paid for by Wellcome Trust in respect of Heart n Soul at The Hub.

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

### **3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
Box office fees and commissions	47,190	-	47,190	25,579
Contracts and performance-related grants	-	-	-	21,120
	<u>£47,190</u>	<u>£Nil</u>	<u>£47,190</u>	<u>£46,699</u>

All of the £46,699 recognised in 2018 was unrestricted funds.

### **4. INVESTMENT INCOME**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
Bank interest	<u>£235</u>	<u>£Nil</u>	<u>£235</u>	<u>£137</u>

All of the £137 recognised in 2018 was unrestricted funds

## HEART N SOUL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

<b>5. COST OF RAISING FUNDS</b>	Direct costs £	Support costs £	Total 2019 £	Total 2018 £
Fundraising consulting	<u>£49,343</u>	<u>£Nil</u>	<u>£49,343</u>	<u>£44,694</u>

All of the £44,694 expenditure recognised in 2018 was charged to unrestricted funds.

#### **6. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Staffing Costs £	Other Direct Costs £	Support Costs (Note 7) £	Total 2019 £	Total 2018 £
Multi-disciplinary arts	80,854	107,305	30,259	218,418	250,029
Taking Part	191,847	238,445	74,011	504,303	278,612
Training	-	-	-	-	5,583
Sharing	7,617	6,256	2,947	16,820	43,199
Big 30	6,224	7,732	2,356	16,312	233,176
The Hub	87,788	169,347	15,859	272,994	-
	<u>£374,330</u>	<u>£529,085</u>	<u>£125,432</u>	<u>£1,028,847</u>	<u>£810,599</u>

Of the £810,599 expenditure recognised in 2018, £354,705 was charged to unrestricted funds and £455,894 was charged to restricted funds.

<b>7. SUPPORT COSTS</b>	General Office £	Premises £	Governance (Note 8) £	Total 2019 £	Total 2018 £
Multi-disciplinary arts	17,998	10,999	1,262	30,259	36,567
Taking Part	44,811	26,208	2,992	74,011	44,394
The Hub	9,119	5,370	1,370	15,859	-
Sharing	1,738	1,038	171	2,947	8,712
Big 30	1,414	845	97	2,356	25,117
	<u>£75,080</u>	<u>£44,460</u>	<u>£5,892</u>	<u>£125,432</u>	<u>£114,790</u>

<b>8. GOVERNANCE COSTS</b>	2019 £	2018 £
Auditors' remuneration and related costs	3,685	3,507
AGM and Trustees' meetings	2,207	724
	<u>£5,892</u>	<u>£4,231</u>

Included within other direct costs of The Hub are donated services valued at £71,687. This being the estimated loss of services paid for by Wellcome Trust in respect of Heart n Soul at The Hub.

**HEART N SOUL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**9. LOCAL GOVERNMENT AND HOUSING ACT 1989**

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

£58,472 was recognised as grant income from the London Borough of Lewisham. These funds have been fully expended.

<b>10. NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<b>2019</b>	<b>2018</b>
Net income/(expenditure) is stated after charging:		
Operating lease rentals	£31,386	£29,790
Depreciation of tangible fixed assets	£4,411	£8,730
Auditors remuneration – Audit services	£2,700	£2,575
Auditors remuneration – Non-audit services	£600	£600
	<u>£37,097</u>	<u>£41,695</u>
<b>11. STAFF COSTS</b>	<b>2019</b>	<b>2018</b>
Staff costs were as follows:	£	£
Wages and salaries	305,921	259,687
Social Security costs	25,851	21,091
Pension costs	20,881	17,654
Staff training and recruitment	12,430	7,498
Other costs	9,247	4,604
	<u>£374,330</u>	<u>£310,534</u>

No employee received total employee benefits (excluding employers national insurance and employer pension contributions) of more than £60,000 during 2019 or 2018.

Total employee benefits received by key management amounted to £69,804 (2018: £80,237). Under FRS 102, employee benefits includes gross salary, benefits in kind, employers national insurance and employers pension contributions.

The average number of full-time equivalent employees during the year was 10.0 (2018: 9.5). The average monthly number of employees was 12 (2018: 11).

**12. DIRECTORS / TRUSTEES REMUNERATION AND EXPENSES**

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

Travel and subsistence costs of £1,317 (2018: £607) was reimbursed to four (2018: two) trustees. The total of donations received without conditions by the charity from trustees amounted to £2,000 (2018: £3,000).



# HEART N SOUL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 13. TANGIBLE FIXED ASSETS

	Technical Equipment £	Office Equipment £	Total £
<b>Cost</b>			
Balance at 1 April 2018	75,412	40,772	116,184
Additions	1,848	6,475	8,323
Disposals	(50,630)	(719)	(51,349)
	<u>26,630</u>	<u>46,528</u>	<u>73,158</u>
<b>Depreciation</b>			
Brought forward at 1 April 2018	74,124	37,454	111,578
Charge for year	1,136	3,275	4,411
Eliminated on disposal	(50,630)	(719)	(51,349)
	<u>24,630</u>	<u>40,010</u>	<u>64,640</u>
<b>Net book value</b>			
As at 31 March 2019	<u>£2,000</u>	<u>£6,518</u>	<u>£8,518</u>
As at 31 March 2018	<u>£1,288</u>	<u>£3,318</u>	<u>£4,606</u>

### 14. DEBTORS

	2019 £	2018 £
Trade debtors	18,509	6,829
Accrued income	123,151	45,211
Other debtors	10,242	4,050
Prepayments	20,043	10,540
	<u>£171,945</u>	<u>£66,630</u>

### 15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	17,405	12,739
Social security and other taxes	2,346	1,369
Other creditors	4,255	782
Accruals	38,773	9,928
Deferred income (see note 16)	124,950	152,887
	<u>£187,729</u>	<u>£177,705</u>

**HEART N SOUL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>16. DEFERRED INCOME</b>	<b>Balance brought forward</b>	<b>Additions in year</b>	<b>Released to income</b>	<b>Balance carried forward</b>
Grants and donations	£152,887	£124,950	£(152,887)	£124,950

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

<b>17. MOVEMENT IN FUNDS</b>	<b>Balance at 1 April 2018</b>	<b>Movement in Resources</b>		<b>Transfers</b>	<b>Balance at 31 March 2019</b>
	£	Income	Expenditure	£	£
<b>Unrestricted funds</b>					
General funds	132,538	496,149	461,104	-	167,583
	<u>132,538</u>	<u>496,149</u>	<u>461,104</u>	<u>-</u>	<u>167,583</u>
<b>Restricted funds</b>					
Multi-disciplinary arts	24	88,143	88,143	(24)	-
Taking Part	1,079	298,578	298,721	24	960
The Hub	-	220,622	220,622	-	-
Sharing	-	3,000	3,000	-	-
Big 30	-	6,600	6,600	-	-
	<u>1,103</u>	<u>616,943</u>	<u>617,086</u>	<u>-</u>	<u>960</u>
<b>Total funds</b>	<u>£133,641</u>	<u>£1,113,092</u>	<u>£1,078,190</u>	<u>£Nil</u>	<u>£168,543</u>

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

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

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

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

**The Big 30 Fund** relates to funding received specifically towards activities and events to celebrate Heart n Soul's 30<sup>th</sup> anniversary.

# HEART N SOUL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 17. MOVEMENT IN FUNDS/cont'd

Comparative information for the net movement in funds is as follows:

	Balance at 1 April 2017 £	Movement in Resources Income      Expenditure £              £		Transfers £	Balance at 31 March 2018 £
<b>Unrestricted funds</b>					
General funds	76,523	455,414	399,399	-	132,538
	<u>76,523</u>	<u>455,414</u>	<u>399,399</u>	<u>-</u>	<u>132,538</u>
<b>Restricted funds</b>					
Multi-disciplinary arts	-	98,034	98,010	-	24
Taking Part	6,412	237,670	243,003	-	1,079
Training	3,467	2,116	5,583	-	-
Sharing	-	3,380	3,380	-	-
Big 30	-	105,918	105,918	-	-
	<u>9,879</u>	<u>447,118</u>	<u>455,894</u>	<u>-</u>	<u>1,103</u>
<b>Total funds</b>	<u>£86,402</u>	<u>£902,532</u>	<u>£855,293</u>	<u>£Nil</u>	<u>£133,641</u>

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	8,518	-	8,518
Current assets	194,761	152,993	347,754
Current liabilities	(35,696)	(152,033)	(187,729)
	<u>£167,583</u>	<u>£960</u>	<u>£168,543</u>

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	4,606	-	4,606
Current assets	183,736	123,004	306,740
Current liabilities	(55,804)	(121,901)	(177,705)
	<u>£132,538</u>	<u>£1,103</u>	<u>£133,641</u>

## HEART N SOUL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

#### 19. OPERATING LEASE COMMITMENTS

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

	2019 £	2018 £
Amounts due within:		
One year	7,333	16,988
One to five years	2,394	3,990
	<u>£9,727</u>	<u>£20,978</u>

#### 20. CONTINGENT ASSETS

Total grant funding awarded as at 31 March 2019 but not yet received and recognised as income due to the recognition criteria not being met amounts to £2,219,053.

#### 21. COMPANY STATUS AND TAXATION

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

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

## **HEART N SOUL**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **22. SUPPORTERS AND DONORS**

Heart n Soul is grateful for the support we receive from various individuals and organisations.

**We would like to give special thanks to:**

Blackheath Preparatory School  
DIY Space for London  
Heart n Soul Choir  
Kate and Colin Linsky  
Native Instruments  
Michael Price  
Salesforce  
The Big Yellow Self Storage Company  
The Fay and Robert Caplin Foundation  
The Fellows Singers  
Thomas's Battersea

**We would also like to thank our funders:**

Arts Council England  
BBC Children in Need  
City Bridge Trust  
Daytrippers  
Esmée Fairbairn Foundation  
Garfield Weston Foundation  
Global Make Some Noise  
Henry Smith Charity  
Heritage Lottery Fund  
Jack Petchey Foundation  
John Ellerman Foundation  
Lewisham Mencap Cranston Fund  
London Borough of Lewisham  
National Lottery Community Fund  
Paul Hamlyn Foundation  
PRS Foundation  
The BRIT Trust  
The Goldsmiths' Company Charity  
The Margaret Dobson Further Education Trust  
The Mercers' Company

## **HEART N SOUL**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **22. SUPPORTERS AND DONORS / cont**

The National Foundation for Youth Music  
The Rix-Thompson-Rothenberg Foundation  
The Sobell Foundation  
The Utley Foundation  
True Colours Trust  
Wellcome Trust