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**HEART N SOUL**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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 2018**

**Reference and Administrative Details**

**Trustees**

Shalim Ali  
Mark Burgess  
Lilly Cook  
Pino Frumiento  
Hannah Kent  
Kate Linsky  
Simon Platz  
Michael Price  
Sarah Scott (stepped down 30 April 2018)  
Sue Williams

**Objectives and activities**

**Who we are**

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

Heart n Soul is established to advance education for the public benefit through the promotion of the Arts with particular but not exclusive reference to the dramatic and musical arts; and to relieve the distress and suffering of persons with mental and physical disabilities by providing them with a wide range of educational opportunities.

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.

# HEART N SOUL

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

**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 published guidance on public benefit.

### How we measure success

We work towards the following results:

People with learning disabilities will create high quality and life-changing art with others: art that inspires and changes peoples' lives.

More opportunities for learning disabled people: people will have more choice, be more connected and confident. They will develop and share their talent and ideas.

Society changes the way it sees people with learning disabilities: there is greater understanding of what people with learning disabilities can do and what they offer to everyone.

# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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.

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

# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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 80 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, incorporated on 28 June 1993 and registered as a charity on 7 July 1993. The company was established by a Memorandum of Association and is governed under its Articles of Association. We receive under a third 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.

# HEART N SOUL

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

The personnel sub-committee of the Board commission reviews of staff remuneration on an annual basis.

### **Activities and performance**

2017/18 has been exceptionally busy for Heart n Soul. July 2017 saw the culmination of our Big 30 project – a year-long celebration of our 30th anniversary. We ran a full programme of live events in Deptford as part of our 'Summer Takeover' and launched our Big 30 archive and installation across 7 public spaces. We launched our new Big 30 website ([www.thebig30.com](http://www.thebig30.com)) which has already received recognition from both the London Metropolitan Archive and the Wellcome Archive for taking a radically innovative approach to how we represented the voice and agency of the learning disability 'voice'. Unintended outcomes have been both local and national. They have included new relationships with local venues, a month long visual art residency at Could be Good studios in Deptford, the donation of the Big 30 archive into the Wellcome, a new partnership with Tate and a huge increase in participation in our Radio platform.

*'This is the first time I've heard of Heart n Soul but I don't think it will be the last. I will now follow everything you do. Great work, great exhibition, I've left feeling uplifted. Thank you!'* Big 30 audience member

In 2017/18 we delivered 125 sharing events, reaching over 10,000 people face to face and 133,580 digitally. These include performances by artists such as the Fish Police, Lizzie Emeh, Electric Fire and Robyn Steward, outreach visits, installations, including the Big 30 installation last July, conferences, press interviews, SoundLab events and live and pre-recorded radio shows.

# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

Demand for our work has continued to grow, and the number of participants taking part in our creative sessions increased by over 30%. We are near capacity in many of our programmes, underlining the need for our new Immersion initiative, which will start in 2018.

### **Diversity**

We continue to put diversity and the voice of learning disability at the heart of everything we do. We do this in a natural and unselfconscious way aiming to create a culture where this is clearly the best and most effective way to do things. 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 work with, 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 People's Steering Team have encouraged young participants to develop as artists.

Making all our work as inclusive and high quality as possible results in new creative challenges for our designers, producers and creatives to experiment and try new ways of doing things. This results in new approaches to the look and content of anything from a strategic plan/annual review, to how to run a conference, to CD covers, digital backdrops, and the use of public space at events.

### **Fundraising**

We have had a successful year fundraising and have increased our income by over 19% year on year.

Individual giving successes associated with our Big 30 campaign during the year helped raise over £30,000.

New grants multi-year funding from the Esmée Fairbairn Trust, the Paul Hamlyn Foundation and City Bridge Trust and new one-off support from the Deptford Challenge Trust and the St James' Place Charitable Foundation.



# HEART N SOUL

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

### **What next**

We will be the new resident of The Hub at the Wellcome Collection. The Hub Award provides a research space where people from different backgrounds and expertise collaborate on projects exploring medicine, life and art. Over the next two years we will investigate how relationships between people with and without learning disabilities affect mutual wellbeing. Starting in October, we will look at ideas of 'human value', 'difference' and 'love' from the viewpoint of people with learning disabilities in order to challenge perceptions and change attitudes in society.

We will also be launching Immersion in 2018. Immersion is a new strategic initiative offers the opportunity to join Heart n Soul in an exploration of what organisations look and feel like when they look at people with disabilities in a different way; what great art looks like with this running through its centre; and what difference can offer to all of us.

### **Financial Review**

We ended the year with a surplus of £47,239. Taking account of funds brought forward from 2015/16, the company now has total funds of £133,641 of which £132,538 are unrestricted and £1,103 restricted.

Our financial projections for the coming 2 years are strong, with 87% and 62% of income already in place respectively.

### **Risk Management**

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.

# **HEART N SOUL**

## **TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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. For example, we have developed a new sharing programme, Immersion, that will embed organisations within Heart n Soul to learn about our approach.

### **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 2018 is £127,932 (2017: £65,807).

### **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.

# HEART N SOUL

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

In so far as the trustees are aware:

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

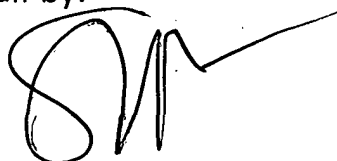
### **Auditors**

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

### **Small company exemptions**

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

This report was approved by the trustees on 27-9 — 2018 and signed on its behalf by:

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

Simon Platz  
Treasurer

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

### HEART N SOUL

#### Opinion

We have audited the financial statements of Heart N Soul (the 'charitable company') for the year ended 31 March 2018 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 2018, 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

### HEART N SOUL

#### **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.

#### **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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

### HEART N SOUL

#### **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
- 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

### HEART N SOUL

#### **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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

## HEART N SOUL

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

3 — 10 — 2018



# HEART N SOUL

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
<b>Income</b>					
Donations and grants	2	408,578	447,118	855,696	708,666
Charitable activities	3	46,699	-	46,699	45,036
Investments	4	137	-	137	241
<b>Total</b>		<u>455,414</u>	<u>447,118</u>	<u>902,532</u>	<u>753,943</u>
 Raising funds	5	 44,694	 -	 44,694	 50,090
Charitable activities	6	354,705	455,894	810,599	735,143
<b>Total</b>		<u>399,399</u>	<u>455,894</u>	<u>855,293</u>	<u>785,233</u>
 <b>Net income / (expenditure)</b>	10	 56,015	 (8,776)	 47,239	 (31,290)
 <b>Transfers between funds</b>		 -	 -	 -	 -
 <b>Net movement in funds</b>		 <u>56,015</u>	 <u>(8,776)</u>	 <u>47,239</u>	 <u>(31,290)</u>
 <b>Reconciliation of funds</b>					
Balance brought forward		<u>76,523</u>	<u>9,879</u>	<u>86,402</u>	<u>117,692</u>
<b>Balance carried forward</b>		<u><u>£132,538</u></u>	<u><u>£1,103</u></u>	<u><u>£133,641</u></u>	<u><u>£86,402</u></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.

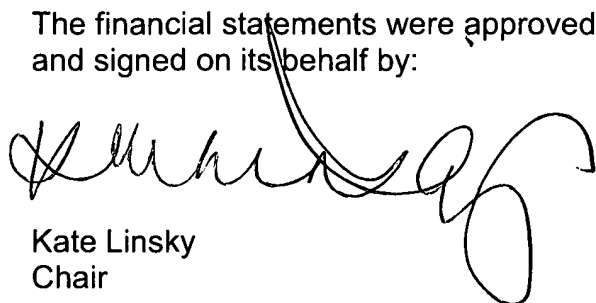
**HEART N SOUL**  
(A Company Limited by Guarantee and Not Having a Share Capital)  
Registered Charity Number 1090781, Company Number 4360133

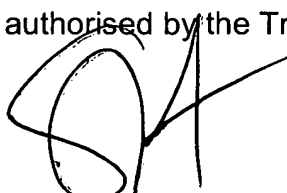
**BALANCE SHEET AS AT 31 MARCH 2018**

		<b>2018</b>		<b>2017</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	13		4,606		10,716
<b>CURRENT ASSETS</b>					
Debtors	14	66,630		66,950	
Cash at Bank and in Hand		240,110		164,244	
		<u>306,740</u>		<u>231,194</u>	
<b>CREDITORS:</b> Amounts falling due within one year	15	<u>177,705</u>		<u>155,508</u>	
<b>NET CURRENT ASSETS</b>			129,035		75,686
<b>NET ASSETS</b>	18		<u>£133,641</u>		<u>£86,402</u>
<b>FUNDS :</b>					
Restricted Funds	17		1,103		9,879
Unrestricted Funds	17		132,538		76,523
<b>TOTAL FUNDS</b>			<u>£133,641</u>		<u>£86,402</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 2018 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 2018

	2018 £	2017 £
<b>Cash flows from operating activities:</b>		
Net movement in funds per Statement of Financial Activities	47,239	(31,290)
Adjustments for:		
Depreciation	8,730	10,494
Gains on disposal of tangible fixed assets	(379)	-
(Increase)/decrease in debtors	320	(31,362)
(Decrease)/increase in creditors	22,197	(9,405)
<b><i>Net cash provided by/(used in) operating activities</i></b>	<u>78,107</u>	<u>(61,563)</u>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(2,761)	(3,580)
Proceeds from disposal of tangible fixed assets	520	-
<b><i>Net cash provided by/(used in) investing activities</i></b>	<u>(2,241)</u>	<u>(3,580)</u>
<b>Increase/(decrease) in cash</b>	75,866	(65,143)
Cash and cash equivalents brought forward	164,244	229,387
<b>Cash and cash equivalents carried forward</b>	<u>£240,110</u>	<u>£164,244</u>
<b>Analysis of cash and cash equivalents</b>	<b>2018 £</b>	<b>2017 £</b>
Cash at bank and in hand	<u>£240,110</u>	<u>£164,244</u>

**HEART N SOUL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

## **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 2018**

#### **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 2018

#### 2. DONATIONS AND GRANTS

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Multi-disciplinary arts	89,584	98,034	187,618	84,321
Taking part	217,183	237,670	454,853	498,714
Training	1,934	2,116	4,050	7,825
Sharing	3,089	3,380	6,469	117,806
Big 30	96,788	105,918	202,706	-
	<u>£408,578</u>	<u>£447,118</u>	<u>£855,696</u>	<u>£708,666</u>

Of the £708,666 recognised in 2017, £427,713 was unrestricted funds and £280,953 was restricted funds.

#### 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Box office fees and commissions	25,579	-	25,579	35,036
Contracts and performance-related grants	21,120	-	21,120	10,000
	<u>£46,699</u>	<u>£Nil</u>	<u>£46,699</u>	<u>£45,036</u>

All of the £45,036 recognised in 2017 was unrestricted funds.

#### 4. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Bank interest	<u>£137</u>	<u>£Nil</u>	<u>£137</u>	<u>£241</u>

All of the £241 recognised in 2017 was unrestricted funds

# HEART N SOUL

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

### 5. COST OF RAISING FUNDS

	Direct costs £	Support costs £	Total 2018 £	Total 2017 £
Fundraising consulting	<u>£44,694</u>	<u>£Nil</u>	<u>£44,694</u>	<u>£50,090</u>

All of the £50,090 expenditure recognised in 2017 was charged to unrestricted funds.

### 6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staffing Costs £	Other Direct Costs £	Support Costs (Note 7) £	Total 2018 £	Total 2017 £
Multi-disciplinary arts	97,287	116,175	36,567	250,029	302,821
Taking Part	116,371	117,847	44,394	278,612	263,476
Training	-	5,583	-	5,583	33
Sharing	23,606	10,881	8,712	43,199	168,813
Big 30	<u>73,270</u>	<u>134,789</u>	<u>25,117</u>	<u>233,176</u>	<u>-</u>
	<u>£310,534</u>	<u>£385,275</u>	<u>£114,790</u>	<u>£810,599</u>	<u>£735,143</u>

Of the £735,143 expenditure recognised in 2017, £445,812 was charged to unrestricted funds and £289,331 was charged to restricted funds.

### 7. SUPPORT COSTS

	General Office £	Premises £	Governance (Note 8) £	Total 2018 £	Total 2017 £
Multi-disciplinary arts	23,221	12,020	1,326	36,567	41,896
Taking Part	30,586	12,222	1,586	44,394	34,901
Sharing	5,688	2,702	322	8,712	32,596
Big 30	<u>16,439</u>	<u>7,681</u>	<u>997</u>	<u>25,117</u>	<u>-</u>
	<u>£75,934</u>	<u>£34,625</u>	<u>£4,231</u>	<u>£114,790</u>	<u>£109,393</u>

### 8. GOVERNANCE COSTS

	2018 £	2017 £
Auditors' remuneration and related costs	3,507	3,463
AGM and Trustees' meetings	<u>724</u>	<u>1,439</u>
	<u>£4,231</u>	<u>£4,902</u>

**HEART N SOUL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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.

£58,440 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>2018</b>	<b>2017</b>
Net income/(expenditure) is stated after charging:		
Operating lease rentals	£29,790	£31,077
Depreciation of tangible fixed assets	£8,730	£10,494
Auditors remuneration – Audit services	£2,575	£2,540
Auditors remuneration – Non-audit services	£600	£600
	<u>£29,790</u>	<u>£31,077</u>

<b>11. STAFF COSTS</b>	<b>2018</b>	<b>2017</b>
Staff costs were as follows:	£	£
Wages and salaries	259,687	257,742
Social Security costs	21,091	20,427
Pension costs	17,654	13,974
Staff training and recruitment	7,498	2,477
Other costs	4,604	3,961
	<u>£310,534</u>	<u>£298,581</u>

No employee received emoluments of more than £60,000 during 2018 or 2017.

Total employee benefits received by key management amounted to £72,593 (2017: £89,975).

The average number of full-time equivalent employees during the year was 9.5 (2017: 9.5). The average monthly number of employees was 11 (2017: 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. The following disclosures are given in respect of transactions with trustees.

<b>Name</b>	<b>Details</b>	<b>2018</b>	<b>2017</b>
Lilly Cook	Consulting fees	£Nil	£500
Shalim Ali	Consulting/performance fees	£20	£160
Pino Frumiento	Artist performance fees	£Nil	£40

Travel and subsistence costs of £607 (2017: £1,402) was reimbursed to four (2017: four) trustees. The total of donations received without conditions by the charity from trustees amounted to £3,000 (2017: £2,125).



# HEART N SOUL

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

### 13. TANGIBLE FIXED ASSETS

	Technical Equipment £	Office Equipment £	Total £
<b>Cost</b>			
Balance at 1 April 2017	75,313	39,239	114,552
Additions	1,228	1,533	2,761
Disposals	(1,129)	-	(1,129)
	<u>75,412</u>	<u>40,772</u>	<u>116,184</u>
Balance at 31 March 2018	75,412	40,772	116,184
<b>Depreciation</b>			
Brought forward at 1 April 2017	71,740	32,096	103,836
Charge for year	3,372	5,358	8,730
Eliminated on disposal	(988)	-	(988)
	<u>74,124</u>	<u>37,454</u>	<u>111,578</u>
Balance at 31 March 2018	74,124	37,454	111,578
<b>Net book value</b>			
As at 31 March 2018	<u>£1,288</u>	<u>£3,318</u>	<u>£4,606</u>
As at 31 March 2017	<u>£3,573</u>	<u>£7,143</u>	<u>£10,716</u>

### 14. DEBTORS

	2018 £	2017 £
Trade debtors	6,829	2,596
Accrued income	45,211	47,633
Other debtors	4,050	7,842
Prepayments	10,540	8,879
	<u>£66,630</u>	<u>£66,950</u>

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

	2018 £	2017 £
Trade creditors	12,739	10,587
Social security and other taxes	1,369	1,559
Other creditors	782	1,076
Accruals	9,928	10,197
Deferred income (see note 16)	152,887	132,089
	<u>£177,705</u>	<u>£155,508</u>

**HEART N SOUL**  
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16. DEFERRED INCOME	Balance brought forward	Additions in year	Released to income	Balance carried forward
Grants and donations	£132,089	£152,887	£(132,089)	£152,887

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

17. MOVEMENT IN FUNDS	Balance at 1 April 2017 £	Income £	Movement in Resources 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>

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

**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 Training Fund** assists the training of artists and technical trainees to gain skills in both the artistic, media and production aspects of the work of Heart n Soul.

**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 2016 £	Movement in Resources Income      Expenditure £              £		Transfers £	Balance at 31 March 2017 £
<b>Unrestricted funds</b>					
General funds	109,435	462,990	495,902	-	76,523
	<u>109,435</u>	<u>462,990</u>	<u>495,902</u>	<u>-</u>	<u>76,523</u>
<b>Restricted funds</b>					
Multi-disciplinary arts	-	27,713	27,713	-	-
Taking Part	8,257	233,051	234,896	-	6,412
Training	-	3,500	33	-	3,467
Sharing	-	26,689	26,689	-	-
	<u>8,257</u>	<u>290,953</u>	<u>289,331</u>	<u>-</u>	<u>9,879</u>
<b>Total funds</b>	<u>£117,692</u>	<u>£753,943</u>	<u>£785,233</u>	<u>£Nil</u>	<u>£86,402</u>

#### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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>

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Tangible fixed assets	10,716	-	10,716
Current assets	130,180	101,014	231,194
Current liabilities	(64,373)	(91,135)	(155,508)
	<u>£76,523</u>	<u>£9,879</u>	<u>£86,402</u>

## HEART N SOUL

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

#### 19. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts due within:		
One year	16,988	20,524
One to five years	3,990	5,586
	<u>£20,978</u>	<u>£26,110</u>

#### 20. CONTINGENT ASSETS

Total grant funding awarded as at 31 March 2018 but not yet received and recognised as income due to the recognition criteria not being met amounts to £2,837,234.

#### 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 2018

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

Heart n Soul is grateful for the support we receive from the following organisations who help us carry out our programmes of work in art, training, sharing and taking part:

Arts Council England  
Big Lottery Fund  
BBC Children in Need  
City Bridge Trust  
Deptford Challenge Trust  
Esmée Fairbairn Foundation  
Global Make Some Noise  
Henry Smith Charity  
Heritage Lottery Fund  
Jack Petchey Foundation  
John Ellerman Foundation  
London Borough of Lewisham  
Paul Hamlyn Foundation  
PRS Foundation  
Sir William Boreman's Foundation  
St James's Place Charitable Foundation  
The BRIT Trust  
The Haberdashers' Benevolent Foundation  
The National Foundation for Youth Music  
The Space  
True Colours Trust  
Wellcome Trust