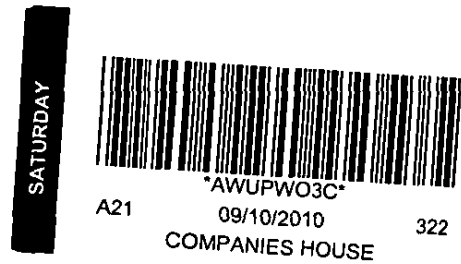

HEART N SOUL

TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2010



Company Number: 2830733

HEART N SOUL

Company Information

Trustees	Paul Bewell Mark Burgess Lolita Jones Hannah Kent Thomas Lawson Kate Linsky Sarah Liversedge Simon Platz Sarah Scott
Chair	Sarah Scott
Treasurer	Simon Platz
Company Secretary/ Artistic Director/CEO	Mark Williams
Company Number	2830733
Charity Number	1023467
Registered Office	The Albany Douglas Way London SE8 4AG
Auditors	Gotham Erskine LLP Chartered Accountants and Registered Auditors Friendly House 52-58 Tabernacle Street London EC2A 4NJ
Bankers	HSBC 275 Greenwich High Road London SE10 8NF

HEART N SOUL

Contents

	Page
Trustees' Report	1 - 10
Independent Auditors' Report	11 - 13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16 - 27

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

The trustees present their report and the financial statements for the year ended 31 March 2010

Principal Activities and Organisation

Running for public benefit since 1986, Heart n Soul was established as a charity and company limited by guarantee in 1992

Its objectives are:

- 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
- To relieve the distress and suffering of persons with mental and physical disabilities by providing them with a wide range of educational opportunities.

Heart n Soul is a nationally significant arts organisation with learning disability culture at its heart. At Heart n Soul, diverse artists and arts professionals work together to make exceptional art and change happen

Our aims are to

- 1 Celebrate learning disability culture within mainstream society by devising original high quality performing arts for diverse audiences,
- 2 Develop progressive training and employment opportunities that improve the life chances of learning disabled people,
- 3 Cultivate a new understanding of the abilities, achievements and potential of learning disabled people within society

We involve learning disabled people at every level of our organisation, which demonstrates our commitment to quality, integrity and diversity, and ensures that we deliver programmes that touch and change people's lives

Achievement and performance during the year

2009/10 was a year of significant breakthroughs for Heart n Soul and its artists, an historic album and landmark tour for Lizzie Emeh, first bookings and relationships with major national and international mainstream venues including the Southbank Centre, Bristol Old Vic and New York's Lincoln Center and the

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

double awarding of MBEs to founders Pino Frumiento (singer-songwriter) and Mark Williams (Artistic Director/CEO) These are just some of the achievements of the organisation during its twenty-fourth year that reconfirm its position as innovator, beacon of excellence and leader in its field

There were five strands to our programme: Art, Taking Part, Training, Change-Making and Organisation, below we report on each of them in turn.

Art

At the heart of our programme for 2009/10 was Lizzie Emeh's debut album, Loud and Proud

The album is the culmination of a ten-year journey for Lizzie, from taking the opportunity of the Open Mic at The Beautiful Octopus Club to show her raw talent, through touring as part of two Heart n Soul groups, to collaborating with other musicians to write her own material.

The album was launched in a press conference followed by a live show at the Southbank Centre to an audience of 1000 people as part of our first ever Beautiful Octopus Club in the Clore Ballroom in The Royal Festival Hall

Arts Council England's Sue Williams, Senior Strategy Officer, Diversity (Disability) said "It has been an immense pleasure to see Lizzie develop and grow as an artist. She has seized every opportunity to develop her skills and creativity in order to achieve her goals and vision The launch of her album and its quality is proof of her talent and commitment as an artist Heart n Soul has been fantastic in supporting new talent and ensuring that artists get the right advice support, opportunities and most importantly exposure."

This was also an exciting year for Heart n Soul's performance art ensemble, Live Heart After a couple of years developing their practice and their first production, Frameworks, this year was about touring, with performances at The Beautiful Octopus Club, Tate Modern and as part of the inaugural Bristol Jam Festival The ensemble also won recognition from a local arts award, the P&B Cultural Showcase, which they received in March Live Heart is importantly breaking new ground, both in terms of the original practice, and also in terms of audiences being reached by disabled artists in a fresh and unforced way that perfectly fits our goals of integration and infiltration

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

The third highlight of the year was the incredible success of The Fish Police at the Arts Council England Decibel Showcase. Taking a break from songwriting and laying down recordings for their debut album, the retro-future electro-funk-punk trio was one of the top-rated acts at the international showcase of respected producers, practitioners and programmers. Several delegates wrote with praise for the band and the band secured a gig at New York's Lincoln Center as a result of their performance.

As well as collaborating with other organisations and artists including Jazztronics working with Graeae on their Greenwich and Docklands International Festival commission of *Against The Tide*; during the year we also produced and co-produced work by emerging artists as part of our Beautiful Octopus Clubs, including:

Dele Fakoya was supported to create a multi-media installation for The Beautiful Octopus Club in May. He said "It was great, I'd love to do it again. It was the first time that everything has gone right for me. real magic."

Several Heart n Soul artists and participants performed live songs from their All Stars Album, launched on iTunes at The Beautiful Octopus Club in July.

Indeed, the Clubs themselves took another huge step into greater public engagement through expanding the capacity at our May and July events at the Albany in Deptford with festival-style outdoor stages and through commissions by Tower Hamlet's Paradise Gardens Festival and the Southbank Centre. These last two opportunities more than doubled our reach in terms of participants, meant that we reached many more new audiences (as they were both free events with their own attenders) and gave us the artistic license and space to try new things.

Taking Part

We had three key strands to our Taking Part programme this year. They were a widening and deepening of public engagement in our Beautiful Octopus Club, the development of opportunities to take part online and our work with young people.

In terms of digital development, this year our focus was on building new platforms for distribution and interaction including MySpace, Twitter, YouTube and Facebook. We had 15,800 visits to these pages over the year. We also

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

attended seminars, including some run by Art of Digital (ACE) and invited experts in to talk to us directly about our digital strategy. This is the bedrock for what we hope will be a big expansion of our digital participation offer in the next few years.

Our work with young people was mainly centred on participatory arts sessions called Do Your Own Thing and our Squidz Club events. We worked in partnership with the London Borough of Lewisham to extend this programme via the national 'Aiming High for Disabled Children (Short Breaks)' scheme to any local children and young people with complex disabilities and autism that we were not currently reaching.

Training

During the year we ran one training scheme. I Did That is our production services course, which equips trainees with a basic skills level in Stage Management, Sound, Lighting, Front of House or Digital Technology.

The aim is that trainees will leave with an industry accredited skills level and be in a position to gain employment in the sector. All of the eleven trainees underwent external work experience placements, having had their basic teaching in term one. Trainees worked at organisations and venues such as LIFT, Laban, BAC, Blackheath Concert Halls, Artsdepot and Croydon Clocktower; and all exceeded their own, our and the hosts' expectations. All of the trainees completed a final term of the level one course, working on Heart n Soul events.

We ran a programme of skills development training for our artists throughout the year, including sessions in songwriting and instrument tuition.

Change-Making

Our main focus in this year for change-making was the online community of practice realroles.org that we had been commissioned to produce for the Improvement and Development Agency for local government (IDeA). This interactive site was launched in October 2009 at the Association of Directors of Adult Social Care conference in Harrogate by Anne Williams and Scott Watkin, the Department of Health's National Director and Co-Director of Learning Disabilities. The launch was followed up by a national Real Roles Live Conference in January 2010.

We also continued to play our lead role in developing learning disability culture.

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

by supporting the fifty-plus groups around the UK that are running activities based on Heart n Soul's models. We particularly supported Club Soda at Croydon Clocktower and Clive at Artsdepot in Barnet in this year with advice and practical help.

Organisation

We began the year with a big focus on strategic planning. We held an Open Space away day with people from every part of the organisation. Artist Aldean Blair said "The big thing about Heart n Soul is about pride and joy and freedom - what happens is as people with learning disabilities and learning difficulties we must together unite Heart n Soul to become the greatest place on earth. When you go to Heart n Soul you become the mainstream person you are meant to be and outside you become the disabled person - [at Heart n Soul] you can do anything you want."

All of the trustees took part in Clore Board Development training and they commissioned a staffing audit, which has led to a restructure of the organisation. Two members of staff left the organisation during the year and a third made redundant. Existing members of staff are being given new roles and job descriptions that better match the needs of the business plan and two new posts are being created.

During the year we completed PQASSO quality assurance level one and are now working towards level two.

The organisation was delighted and very proud that two of its founders, Artistic Director/CEO Mark Williams and singer-songwriter Pino Frumiento were honoured with MBEs in 2010. Sarah Scott, Chair of Heart n Soul hosted a celebratory event in March 2010, which was attended by many of Heart n Soul's key stakeholders.

We continued to have positive relationships with our funders and were able to increase our reserves by £12,000 in a tough economic climate. Our understanding of a fundraising strategy has widened to include a more diverse range of income streams including major donors, sponsorship, individual givers, earned income through contracts with local authorities and other government departments as well as the more established statutory and trusts/foundations routes.

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

Financial review

The company had net incoming resources on unrestricted funds, a surplus, of £1,718 for the year. Together with the accumulated surplus brought forward from previous years, the company now has an accumulated surplus on unrestricted funds of £56,070 (2009, *surplus of £54,352*). Restricted funds carried forward at 31 March 2010 amounted to £37,561 (2009, £33,788)

Company Status

The company is limited by guarantee and registered at Companies House. The Charity Commissioners have registered the company as a charity.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks.

Reserves policy

The trustees have decided that it would be prudent to adopt the Charity Commissioner's recommendation that three months' on-going running costs should be maintained, which the trustees propose to reach over the next five years. The current level of free reserves, being general funds less unrestricted fixed assets at 31 March 2010 are £53,858.

Structure and Governance

The Board of Trustees meet quarterly to manage the affairs of the charity. These meetings are complemented by sub-committees, which work on key areas in between meetings. There is a small staff team of seven people, which works closely with our pool of one hundred artists, practitioners and experts to deliver our programmes. The trustees I would like to take this opportunity to thank them all for their commitment, creativity and integrity.

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

Trustees

The trustees perform the role of directors in company law Those who served during the year, except where indicated, were

Paul Bewell
Mark Burgess
Lolita Jones
Hannah Kent
Thomas Lawson
Kate Linsky appointed 29 April 2010
Sarah Liversedge
Simon Platz
Sarah Scott

Statement of the trustees responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 company and of the surplus or deficit of the company for that period In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- observe methods and principles in the Charity SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable 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 company will continue in business.

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

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

So far as each of the trustees are aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Management and staffing

Heart n Soul is led by Mark Williams, the Artistic Director/CEO and one of the founders of the organisation. There is a small staff team of seven people, which work closely with our pool of one hundred artists, practitioners and experts to deliver our programmes. Members of staff work to deliver the business plan, with progress being monitored in weekly team meetings and line management meetings and reported on to the trustees quarterly. The trustees meet annually for an away day to assess the progress made towards delivering the business plan.

Events since the end of the year

In the opinion of the trustees no event since the balance sheet date significantly affects the company's financial position.

Future Plans

As outlined above we have our clearest ever business plan for 2010/11, supported by our strategic plan 2010-15. Some highlights are:

Art

- Lizzie Emeh: Loud and Proud UK tour, song writing for follow-up album
- Fish Police: song writing, recording, producing and preparation for national and international touring, audience development
- Live Heart: national touring of Frameworks, international touring promotion, commission from Da Da Festival (Liverpool), new scratch piece tested at Beautiful Octopus Clubs
- K:DNA and Jazztronics: two new bands in development
- The Beautiful Octopus Club: weekend-long event at The Paradise Gardens Festival, return to the Southbank Centre, festival-style event in

HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

Deptford extending reach and diversifying audiences for original disability led art

- Liberty Festival (Trafalgar Square) three bands programmed onto the main stage
- New collaborations: Dele Fakoya working with Knifedge animator John Keates on his film storyboard, Cas Sawyer, interactive digital designer working on a range of projects including The Fish Police's live show design
- Unlimited development of an unlimited proposal as part of our plans to engage with the London 2012 Olympic and Paralympic Games and the Cultural Olympiad

Taking Part

- Taking a major step forward with our digital taking part offer, maximising reach
- Extending the work engaging with disabled young people and children through arts sessions and The Squidz Club

Training

- Launch of the new Media Team training programme
- Entering the final phase of the ground-breaking I Did That training scheme

Change-Making

- Hosting the innovative Real Roles online community of practice
- Continuing with our 'freeware' approach to sharing best practice and revealing more of our artistic processes

Organisation

- Diversifying income streams and continuing to manage resources effectively
- As the leader in our field, being bolder with the Heart n Soul story

Auditors

The auditors, Gotham Erskine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

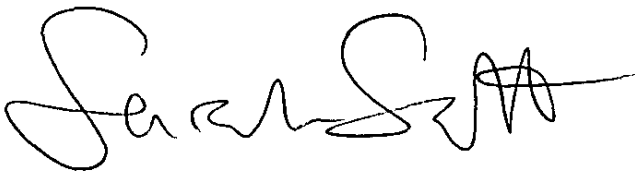
HEART N SOUL

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2010

Small company exemptions

The report of the trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006

This report was approved by the trustees on 25 August 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Sarah Scott', with a stylized flourish at the end.

Sarah Scott
Chair

HEART N SOUL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEART N SOUL

Registered Company Number 2830733

We have audited the financial statements of Heart n Soul for the year ended 31 March 2010 set out on pages 14 to 27 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008), and the accounting policies set out on pages 16 to 19.

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees' (who are also the directors of Heart n Soul for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements.

In addition we report to you if the company has not kept proper accounting

HEART N SOUL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEART N SOUL

Registered Company Number 2830733

records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of Trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice [applicable to Smaller Entities];

HEART N SOUL

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HEART N SOUL**

Registered Company Number 2830733

- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the trustees' report is consistent with the financial statements



John Ellis FCA
Senior statutory auditor
Gotham Erskine LLP

Chartered Accountants
and Registered Auditors
Friendly House
52-58 Tabernacle Street
London EC2A 4NJ

25 August 2010

HEART N SOUL

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 March 2010

		Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	Note	£	£	£	£
Incoming Resources					
Incoming resources from generated funds					
Voluntary income		145	-	145	6,279
Investment income		556	-	556	5,117
Incoming resources from charitable activities	3	394,617	215,192	609,809	594,829
Total Incoming Resources		395,318	215,192	610,510	606,225
Resources Expended					
Charitable activities	4	383,320	214,076	597,396	579,805
Governance costs	6	7,623	-	7,623	7,550
Total Resources Expended		390,943	214,076	605,019	587,355
Net Incoming/(Outgoing)					
Resources before transfers		4,375	1,116	5,491	18,870
Transfers between funds	14	(2,657)	2,657	-	-
Net Incoming/(Outgoing)					
Resources		1,718	3,773	5,491	18,870
Fund balances brought forward at 1 April 2009		54,352	33,788	88,140	69,270
Fund balances carried forward at 31 March 2010		£ 56,070	£ 37,561	£ 93,631	£ 88,140

There were no recognised gains and losses for 2010 or 2009 other than those included in the statement of financial activities. The statement of financial activities incorporates an income and expenditure account.

The notes on pages 16 to 27 form part of these financial statements.

HEART N SOUL

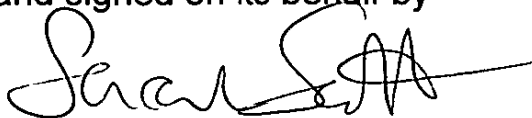
BALANCE SHEET As at 31 March 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	10		2,212		328
CURRENT ASSETS					
Debtors	11	74,708		43,528	
Cash at bank and in hand		172,883		119,792	
		<u>247,591</u>		<u>163,320</u>	
CREDITORS: amounts falling					
due within one year	12	(156,172)		(75,508)	
NET CURRENT ASSETS			<u>91,419</u>		<u>87,812</u>
NET ASSETS			<u>£ 93,631</u>		<u>£ 88,140</u>
FUNDS					
Restricted funds			37,561		33,788
Unrestricted funds			56,070		54,352
	14		<u>£ 93,631</u>		<u>£ 88,140</u>

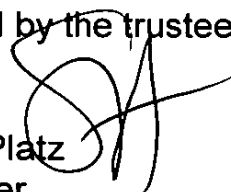
The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies's regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised by the trustees on 25 August 2010 and signed on its behalf by

Sarah Scott
Chair



Simon Platz
Treasurer



The notes on pages 16 to 27 form part of these financial statements

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and with the preceeding year, is set out below

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable UK Accounting Standards and the Companies Act 2006. The financial statements include the results of the company's operations, which are described in the Trustees' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

1.3 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support advice/performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when

- Admission fees or performance related grants, are received in advance of the performances or event to which they relate
- Training and subscription income is received in advance of the training taking place or the subscription being used

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

1.4 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Charitable activities include expenditure associated with the staging of concerts, stage productions, art exhibitions and educational programmes, general and specialised advice, advocacy, training and ICT support services and include both the direct and support costs relating to these activities.
- Governance costs include the cost of the preparation and audit/examination of the statutory accounts, the costs of trustees meetings and the cost of any legal advice to trustees on governance or constitutional matters.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Fixed assets costing more than £800 are capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Technical equipment		25%	straight line
Office equipment	-	25%	straight line
Motor Vehicles	-	20%	straight line

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to income and expenditure account as incurred.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1.7 Deferred grants

Government and local authority grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Depreciation on fixed assets purchased with such grants is charged against the restricted fund over the expected useful life of the asset.

Grants of a revenue nature are credited to incoming resources in the period in which they are receivable. Grants received in advance for specified future periods are carried forward as deferred income.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

2. GRANT INCOME

	2010 £	2009 £
Arts Council England	271,088	281,961
London Councils	59,218	34,980
The City Bridge Trust	27,500	30,000
The True Colours Trust	55,000	60,000
BBC Children in Need	9,724	9,350
Paul Hamlyn Foundation	23,000	-
Esmée Fairbairn Foundation	27,972	-
95.8 Capital FM	2,000	-
A Glimmer of Hope Foundation	-	15,000
The Leathersellers' Company	-	10,000
The Jack Petchey Foundation	600	10,000
London Borough of Lewisham	30,600	30,000
The Lloyds TSB Foundation	13,750	15,000
The City Parochial Foundation	20,000	20,000
The Equitable Charitable Trust	5,000	5,000
	<u>£545,452</u>	<u>£ 521,291</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Grants £	Fees for services £	Total 2010 £	Total 2009 £
Performance				
Multi disciplinary arts	177,976	32,032	210,008	191,782
Clubs	275,854	31,183	307,037	329,136
Training	91,622	1,142	92,764	73,911
	<u>£545,452</u>	<u>£ 64,357</u>	<u>£ 609,809</u>	<u>£594,829</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

4. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Staffing Costs £	Other direct costs £	Support Costs £	Total 2010 £	Total 2009 £
Performance					
Multi disciplinary arts	99,233	143,184	13,231	255,648	184,697
Clubs	100,953	159,675	10,107	270,735	325,903
Training	31,566	36,776	2,671	71,013	69,205
	<u>£ 231,752</u>	<u>£ 339,635</u>	<u>£ 26,009</u>	<u>£ 597,396</u>	<u>£ 579,805</u>

5. SUPPORT COSTS

	Premises £	Professional Fees £	Total 2010 £	Total 2009 £
Performance				
Multi disciplinary arts	9,715	3,516	13,231	9,177
Clubs	7,421	2,686	10,107	11,710
Training	1,960	711	2,671	2,819
	<u>£ 19,096</u>	<u>£ 6,913</u>	<u>£ 26,009</u>	<u>£ 23,706</u>

6. GOVERNANCE COSTS

	2010 £	2009 £
Auditors' remuneration	5,200	5,000
Travel and accommodation	2,423	2,550
	<u>£ 7,623</u>	<u>£ 7,550</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

7. 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.

£49,261 was received from the London Councils as a contribution towards salaries and associated running costs for 'The Thrive project' and the 'Our Scene project'. The grant has been fully expended.

£9,957 was received from the London Councils as a contribution towards the development of a website. The grant has been fully expended.

£30,600 was received from the London Borough of Lewisham as a contribution towards salaries and associated running costs. The grant has been fully expended.

8. NET INCOMING/(OUTGOING) RESOURCES

Net incoming/(outgoing) resources is stated after charging:

	2010	2009
	£	£
Depreciation of tangible fixed assets		
- owned by the company	1,038	1,946
Auditors' remuneration		
- audit	5,200	5,000
- other services	742	1,994

Three members of the trustees received emoluments amounting £480 (2009 - £Nil). No member of the trustees received any benefits in kind (2009 - £Nil). Travel and subsistence costs amounting to £1,418 were reimbursed to four members (2009 - £2,550 to four members).

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

9. STAFF COSTS

Staff costs were as follows

	2010	2009
	£	£
Wages and salaries	204,728	220,779
Social security costs	19,216	20,060
Pension costs	5,582	5,325
	<u>£229,526</u>	<u>£ 246,164</u>

9. STAFF COSTS continued

No employee received more than £60,000 (2009 - £Nil)

The average monthly number of full time equivalent employees during the year was as follows

	2010	2009
Projects, activities and administration	<u>7</u>	<u>6</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

10. TANGIBLE ASSETS

	Technical Equipment £	Office Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2009	56,977	23,767	64,354	145,098
Additions	1,056	1,866	-	2,922
Disposals	-	(11,770)	-	(11,770)
At 31 March 2010	<u>58,033</u>	<u>13,863</u>	<u>64,354</u>	<u>136,250</u>
Depreciation				
At 1 April 2009	56,977	23,439	64,354	144,770
Charge for year	264	774	-	1,038
On disposals	-	(11,770)	-	(11,770)
At 31 March 2010	<u>57,241</u>	<u>12,443</u>	<u>64,354</u>	<u>134,038</u>
Net Book Value				
At 31 March 2010	<u>£ 792</u>	<u>£ 1,420</u>	<u>£ -</u>	<u>£ 2,212</u>
At 31 March 2009	<u>£ -</u>	<u>£ 328</u>	<u>£ -</u>	<u>£ 328</u>

11. DEBTORS

	2010 £	2009 £
Due within one year		
Trade debtors	55,914	17,161
Other debtors	-	5,658
Prepayments	6,363	5,089
Grants in arrears	12,431	15,620
	<u>£ 74,708</u>	<u>£ 43,528</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

12. CREDITORS:

Amounts falling due within one year

	2010	2009
	£	£
Trade creditors	52,806	31,046
Social security and other taxes	5,480	5,759
Other creditors	2,486	746
Accruals	5,400	5,000
Deferred income	90,000	32,957
	<u>£156,172</u>	<u>£ 75,508</u>

13. DEFERRED INCOME

	2010	2009
	£	£
At 1 April 2009	32,957	30,305
Incoming resources		
deferred in the current year	90,000	32,957
Amounts released to		
statement of financial activities	<u>(32,957)</u>	<u>(30,305)</u>
At 31 March 2010	<u>£ 90,000</u>	<u>£ 32,957</u>

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

14. STATEMENT OF FUNDS

	Movement in Resources				
	At 1 April 2009	Income	Expenditure	Transfers	At 31 March 2010
	£	£	£	£	£
Unrestricted funds					
Total unrestricted funds	<u>54,352</u>	<u>395,318</u>	<u>(390,943)</u>	<u>(2,657)</u>	<u>56,070</u>
Restricted funds					
Multi disciplinary arts	17,707	9,957	(20,490)	-	7,174
Clubs	-	147,511	(147,511)	-	-
Training	<u>16,081</u>	<u>57,724</u>	<u>(46,075)</u>	<u>2,657</u>	<u>30,387</u>
Total restricted funds	<u>33,788</u>	<u>215,192</u>	<u>(214,076)</u>	<u>2,657</u>	<u>37,561</u>
Total funds	<u>£ 88,140</u>	<u>£610,510</u>	<u>£ (605,019)</u>	<u>£ -</u>	<u>£ 93,631</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 clubs fund provides resources for the artistic input into a number of participatory events in London

The training fund is to assist the training of artists to gain skills in both the artistic and production aspects of the work of Heart n Soul

HEART N SOUL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2010
	£	£	£
Fund balances at 31 March 2010 are represented by			
Tangible fixed assets	2,212	-	2,212
Current assets	160,030	87,561	247,591
Current liabilities	(66,172)	-	(66,172)
Accruals and deferred income	(40,000)	(50,000)	(90,000)
	<u>£ 56,070</u>	<u>£ 37,561</u>	<u>£ 93,631</u>

16. OTHER COMMITMENTS

At 31 March 2010 the company had annual commitments under non-cancelable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date:				
Within 1 year	<u>3,143</u>	<u>3,143</u>	<u>-</u>	<u>-</u>

17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At the end of the period there were no capital commitments, contingent liabilities or other financial commitments for which full provision has not been made in these financial statements (2009 £Nil)