

Company Registration Number 3006904

Registered Charity Number 1049698

HEADWAY ARTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND ACCOUNTS

For the year ending 31 March 2021

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
For the year ended 31 March 2021

The Trustees, who are also Directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Headway Arts
Charity registration number	1049698
Company registration number	3006904
Registered office	Headway ArtSpace, The Old Church, Waterloo Road, Blyth, Northumberland NE24 1BY

Trustees

For the purposes of the Companies Act 2006, the Board of Trustees is the Board of Directors of the charitable company and is referred to as the Trustees throughout this report.

The Trustees of Headway Arts during the period and to the date of signing this report are as follows:

Mr S Bradley	Appointed 18 June 2020
Mr P D James	
Ms L Neslund	
Ms K Wilcox	
Mr R Graham	Resigned 18 June 2020
Mr C Seccombe MBE	Resigned 18 June 2020

Company Secretary	Mrs F M Castle
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Bankers	Barclays Bank plc, 3 Northumberland Square, North Shields, NE30 1QX
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Independent Examiner	Mr P O'Hara FCA, Chartered Accountant, 4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Headway Arts is a charitable company limited by guarantee, incorporated as Headstrong Productions on 6 January 1995 and registered as a charity on 9 October 1995.

It was established under the Memorandum of Association that established its objects and powers and is governed under its Articles of Association, as amended by special resolutions dated 30 June 2000 and 21 November 2005.

The company changed its name from Headstrong Productions to Headway Arts by means of a special resolution passed on 18 November 2015.

The Directors of the company are also Trustees of the charity.

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For the year ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Governing Documents (Cont.)

Eligibility for membership of the charity, and membership of the Board of Trustees, is governed by the Memorandum and Articles of Association. There are no restrictions in the governing document on the operation of the charity other than those imposed by general charity law.

Charitable Purpose

Headway Arts' charitable objectives are 'to advance education for the public benefit through the promotion of the arts with particular but not exclusive reference to the dramatic arts'.

Principal Activity, Aims and Objectives

In delivering our charitable purpose we strive to offer high quality arts and cultural participation opportunities to communities in Northumberland and beyond.

Our aims are to:

- Produce high quality art
- Create environments where art can take place
- Provide lifelong learning, training and employment opportunities
- Offer platforms for expression & the exploration of creativity
- Proactively encourage the engagement and representation of excluded groups
- Offer a means to contribute to the cultural life of communities
- Initiate informed debate and influence policy-making

Our values are that:

- Everyone is equal and everyone is different
- Participation in the arts enables personal development and social inclusion
- Participation in the arts is an entitlement for everyone
- Creative contribution is of high value irrespective of the circumstance or background of the person
- All participants have the right to make choices and determine their own creative engagement

Structure and Governance

The charity currently has a board of 4 non-executive Trustees.

The Board meets a minimum of four times per year and conducts an Annual General Meeting, typically in November.

Detailed written Board reports and an agenda are prepared by the Chief Executive and circulated in advance of meetings.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Recruitment and Appointment of Board of Trustees

Trustees are elected to the Board as necessary, with regard to any specialist skills required on the Board, based on discussions and recommendations offered by Trustees and outside advisors to the organisation. Trustees are re-appointed annually.

Trustee Induction and Training

New Trustees are briefed on their legal obligations under company and charity law, our Memorandum and Articles of Association, the operation of the Board and its decision-making processes, future plans and recent performance to support their understanding of Headway Arts' activities.

They are encouraged to attend appropriate training, are made aware of Charity Commission publications and online guidance and are encouraged to provide feedback.

Policies on Reserves

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees aim to hold a level of Unrestricted Reserves sufficient to meet the costs of essential salaries and overheads for a 3 to 4 month period which would allow for the orderly winding down of the operation in the unlikely event that the Trustees so decided.

At present, the Trustees estimate that the Unrestricted Reserves required for such purposes would be in the range of £40,000 to £50,000.

Headway Arts' current Unrestricted Reserves are £50,110 at 31 March 2021.

The Trustees believe that, now that this level has been reached, reserves should be maintained at least at this level to ensure the charity can run efficiently and meet the needs of the beneficiaries.

This policy will be reviewed by the Trustees on an annual basis as part of the charity's budgeting processes.

The Charity's grant making policies

The charity does not currently engage in grant-making activity.

The contribution of volunteers

The charity makes extensive use of volunteers within its productions and to support its activities.

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OBJECTIVES AND ACTIVITIES

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which state that all charities must demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission. The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

Headway Arts' activities include a core commitment to the promotion of the arts, enabling the personal development of those in our care and providing a benefit to the wider community.

Principle 2 - Benefit must be to the public, or a section of the public.

Engagement in Headway Arts' productions is open to people of all backgrounds who want to be part of the experience.

Headway Arts' beneficiaries are therefore entirely appropriate to its aims and the public as a whole benefits from its work.

All of these benefits are clear, evidenced and relate directly to Headway Arts' aims. In addition, the Trustees do not consider that any significant detriment or harm flows from Headway Arts' work.

Risk Management

The Trustees of the charity regularly review (at least annually) the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

Headway Arts has a risk management strategy in place which comprises:

- an annual review of the strategic risks the charity may face via the business plan
- the establishment of systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

These control systems have enabled Headway to return to a strong and stable financial position after experiencing some financial difficulties several years previously.

The Trustees have managed the potential impact of further financial risks by ensuring that:

- Prudent budgets have been set for the next financial year
- Regular management accounts are provided, showing the performance against budget
- Contingency plans are in place for the actions which would be taken if income appears unlikely to reach its target

The Trustees are satisfied that appropriate financial systems and controls and employment policies and practices are now in place.

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For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE

Summary of the main achievements of the charity during the year

A crisis can bring both threats and opportunities. From the very beginning of lockdown we decided that Covid-19 could be an opportunity! An opportunity to try out new ideas, develop new ways of working, push forward with our plans and take the initiative on working with those most vulnerable in our community. It's not all been easy and not all positive but, overall, we are coming out of the pandemic a stronger and more resilient organisation. Emergency funding from Arts Council England, the National Lottery and Blyth Council has helped us to do this.

The pandemic led us to explore new ways of delivering our work through digital technology. Being online has also provided an opportunity for many people with disabilities and long-term health conditions to take part in arts activities that previously had no access to such opportunities. These are new participants to Headway Arts' work, extending our reach in terms of both audience and geography. We will definitely be continuing with this approach in the future, using a hybrid model for some of our planned projects. We have joined in the discussions with our partners within the Creative Minds Network to see how this might be used to reach new audiences. Some of the highlights of this year have included:

Stars! Online

STARS! Is our CoCreArt learning disability arts programme which places the emphasis on the participants. Sessions are offered from Monday to Thursday across 48 weeks of the year and it remains one of the most dynamic and innovative arts programme for people who are learning disabled, are Autistic, have special needs, or long term health conditions, in the region. STARS! offers high quality, inclusive arts provision across a range of artforms with new developments that help participants expand their artistic skills, develop confidence and self-esteem and progress to further opportunities. STARS! has consistently provided professional development for disabled and non-disabled artists, raising the profile of disability arts and building new audiences through partnership working in the region, nationally and abroad. STARS! encompasses Headway Arts Inclusive Dance Co., Headway Arts Inclusive Theatre Co. and Printable which provide progression for talented individuals to perform and exhibit more widely.

In April 2020 we were able to deliver digital devices and boxes of art materials so that our learning disabled artists could keep connected and continue to work online. Every day we were joined by around 10 people and ran sessions in drama, puppetry, dance, storytelling, spoken word, visual and creative arts and circus. A challenge over zoom for everyone including the leading artists - let's say we've all learned some valuable new skills!



HEADWAY ARTS
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For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the main achievements of the charity during the year (Cont.)

- Inclusion - STARS! has been particularly successful at raising the profile of learning disabled people within the community making them feel valued and included.
- Well-being - By providing a service of high quality facilitated by professional artists participants have realised personal ambitions, developed new skills and challenged stereotypes and discrimination around disability. Tackling loneliness and isolation has been especially important over the past year with many of our learning disabled artists being isolated or shielded and struggling to understand what is happening:

"It's kept my mind working, it's lonely not seeing anyone"

"I found the workshops very relaxing. I'm feeling relaxed now"

"It's been a lifeline. I don't know what we'd do otherwise"

- Skill development and routes into employment - STARS! has provided training and employment in working with diverse groups for emerging artists helping to retain talent in the County
- Making a difference in the region - Learning disabled artists have continued to represent the sector and region online in national forums such as Creative Minds, advocating for change and raising the profile of diversity in the region
- Building capacity in the sector - STARS! has showcased the best in learning disabled arts and throughout lockdown has established partnerships that will bring companies from across the UK to Blyth enriching the local cultural offer.

Our Virtual World

Most of our work has necessarily had to take place online this year and, as our work responds to the needs of its participants, much of it has been combatting the effects of isolation and loneliness. With funding from ESF LA6 Community Grants we were able to deliver 2 online projects designed to boost skills towards employment or volunteering and maintain good mental health through a combination of creative online activities. We held 2 online Creative Cafés, in partnership with Northumberland Healthwatch and Heart of Blyth, something we will continue to do through Northumberland Recovery College.

We didn't stop there with our summer festival in August and Winter Festival in December. 'Counting The lights in the Darkness', shown over a 7-hour period, featured a programme of spoken word, dance, drama and visual arts performances produced online throughout the year and was viewed by an audience of over 600.

As part of the winter festival we worked in partnership with St Mary's Church in Blyth to provide activities to over 50 young people and their families, delivering art bags for an online workshop and creating an artwork for the Town Centre.

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For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the main achievements of the charity during the year (Cont.)

Community Programme

Over the year we have worked in support of the new developments in Blyth Town Centre, particularly those relating to the Future High Street Fund, by establishing and coordinating the Blyth Culture Network. Initially started to gather direct responses to the proposed developments from the Blyth Cultural Sector, the Network has developed into a cohesive group who feel they can work together to effect positive change through culture in their town. Whilst supporting improvements in Blyth Town Centre, Headway Arts continues to pursue its own development as a centre for arts and inclusion and is working to ensure there is complementarity between the two.

Heritage

'From Sill to Sea' is a project exploring Northumbrian Folk tales. Working with People With Learning Disability, in collaboration with Haltwhistle Film Project Filmable and the Sill Discovery Centre, this National Heritage Lottery funded project (which had begun in March 2019 and was preparing for a tour of venues and schools including a performance at Hexham Abbey for the first time), was postponed when the pandemic hit. Work continued online with the performances adapted to film and web content. Although this provided some difficult technical challenges, work has progressed slowly over the past year and we hope to complete the project by June 2021 with a website, an exhibition at the Sill and postcards linking visitors to the Sill to heritage sites connected to Northumbrian folk tales in the National Park. The project has been highly successful at introducing people who are learning disabled to the heritage and landscape of Northumberland. Involving 22 people from across the county, many had never heard the stories or visited the heritage sites connected with them previously. A great relationship with the Sill Discovery Centre was established and talks are already in progress about future partnerships.

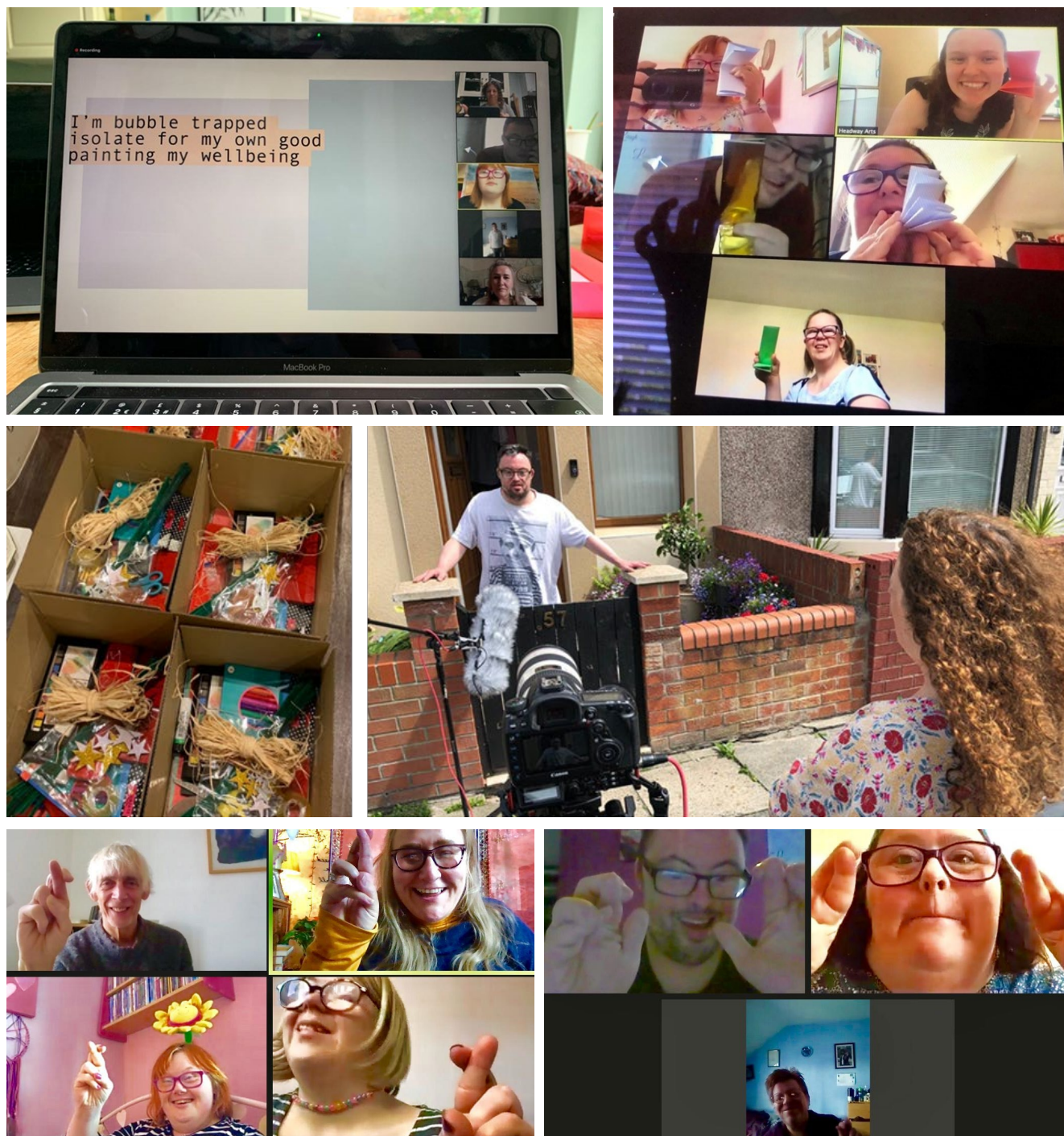
All our online activities during the past 12 months have had the dual purpose of engaging people in creative activities and seeking to improve people's well-being. The pandemic has resulted in these elements becoming inseparable from each other, highlighting the beneficial role that the arts play in increasing wellbeing. Crucially being able to take part has also increased people's ability to cope with isolation and the feelings of disconnection, increasing resilience and hopefully opening up opportunities for the future. We were particularly pleased to be able to involve many housebound participants through our Moving Mountains and Releasing Potential courses. Participants used creative expression to affirm positive aspects of their lives and a way forward 'out of the darkness'. For many this was not easy; even taking part on Zoom was a major step forward for some. For Headway Arts this highlights a potential way forward to greater inclusion for disadvantaged group and has informed our future planning.



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TRUSTEES' REPORT
For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the main achievements of the charity during the year (Cont.)



HEADWAY ARTS
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TRUSTEES' REPORT
For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE (Continued)

Financial Review

The out-turn for the year is an unrestricted surplus of £20,799 (2020: Deficit £5,428).

The surplus will be added to Unrestricted Reserves, leaving a balance on Unrestricted Funds at 31 March 2021 of £50,110.

The Trustees consider the financial performance of the charity to be satisfactory and would wish to record their appreciation for the diligence and hard work of the staff, management and Board of Trustees during the year.

The Trustees acknowledge that careful financial management will be required on an ongoing basis and will continue to consider the charity's viability and status as a going concern on a regular basis, undertaking only those projects which best fulfil our charitable objectives and utilise our specialist skills whilst also being economically sound. We continue to be aware of our obligations to all our stakeholders, including staff and creditors.

Principal Funding Sources

Grants received in the year are listed in Note 4 to the accounts.

The charity is grateful to all such funders for their grant support during the year.

HEADWAY ARTS
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TRUSTEES' REPORT
For the year ended 31 March 2021

PLANS FOR FUTURE PERIODS

We begin 2021/22 still caught in the global pandemic. The COVID-19 virus has affected all of us and we find ourselves in very different times. The pandemic has not been kind to learning disabled people in the arts sector and we face the very real possibility of losing all the ground we have made over the past 25 years, particularly in terms of our inclusion. It is increasingly important we maintain the profile of learning disability arts and ensure access and inclusion are prioritized as we come out of lockdown.

The pandemic has brought the service we normally provide into sharp focus, demonstrating not only its valuable role in keeping disabled people creative and included in society, but its value in maintaining good mental health and wellbeing and in helping people to be safe, feel secure and find new routines. Thrown into this sudden new worrying world, we all need reassurance and support to adjust.

We will continue to provide and maintain this valued support through an online programme for participants with special needs, their families and supporters until we can return to ArtSpace and develop our new and exciting projects that look back at where we have been and ahead to where we might go. We are excited to be planning our Arts Council Funded "Beautiful Difference" project will look similarities, differences and our shared humanity.

It is important we do not forget what we have learned throughout the lockdown and we will continue with a hybrid model to maintain our new and isolated audiences.

Having placed ourselves as the National Centre of Arts and Inclusion we will continue to work regionally, nationally and internationally to find best inclusive practices, quality methodologies and inform national policy debates.

Blyth is undergoing a transformation and Headway Arts will be at the centre of this, ensuring that it meets its key aims over the next five years to build on its work and ensure it has the resources necessary to expand its work in line with both demand and current local and regional plans.

As always, and at the core of everything, Headway Arts remains passionately committed to working with those in the community who are considered hardest to reach, particularly people who are learning disabled, have special needs or with enduring health issues.

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
For the year ended 31 March 2021

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also the Directors of Headway Arts 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;
- make judgments 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 proper 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. The Trustees 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.

Signed by order of the Trustees



Frances Castle
Company Secretary
Company Registration Number 3006904

17 August 2021

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF HEADWAY ARTS YEAR ENDED 31 MARCH 2021

I hereby report to the Trustees/Members of Headway Arts (Charity Registration Number 1049698) on the accounts for the year ended 31 March 2021 set out on pages 14 to 26.

Responsibilities and basis of report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountant in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

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



**Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales**

4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

17 August 2021

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income					
Income from Investments	2	3	-	3	7
Donations & Legacies	3	551	-	551	845
Income from Charitable Activities	4	200,333	88,247	288,580	272,924
Total Income		200,887	88,247	289,134	273,776
Expenditure					
Expenditure on Charitable Activities	5	180,088	72,108	252,196	240,145
Total Expenditure		180,088	72,108	252,196	240,145
Net Income/(Expenditure)		20,799	16,139	36,938	33,631
Balance brought forward at 1 April		29,311	78,371	107,682	74,051
Balance carried forward at 31 March	13	£50,110	£94,510	£144,620	£107,682

The notes on pages 16 to 26 form part of the financial statements.

All of the activities of the company are classed as continuing.

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible Fixed Assets	9	37,496	37,154
Current Assets			
Debtors	10	47,507	32,508
Cash At Bank & In Hand		74,812	53,367
		<u>122,319</u>	<u>85,875</u>
Creditors – Amounts Falling Due Within 1 Year	11	(15,195)	(15,347)
Net Current Assets/(Liabilities)		<u>107,124</u>	<u>70,528</u>
Total Net Assets	12	<u>£144,620</u>	<u>£107,682</u>
Represented by:			
Unrestricted Reserves	13	50,110	29,311
Restricted Reserves	13	94,510	78,371
		<u>£144,620</u>	<u>£107,682</u>

The notes on pages 16 to 26 form part of the financial statements.

The Trustees are satisfied that for the year ended 31 March 2021 the charity was entitled to exemption under section 477(2) of the Companies Act 2006.

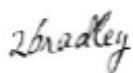
The Trustees also confirm that the Members have not required the charity to obtain an audit in accordance with section 476 of the Companies Act 2006

The Trustees acknowledge their responsibilities for:

(i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements were approved and signed by a Member of the Board of Trustees on 17 August 2021.



S Bradley
Trustee
Company Registration Number 3006904

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 and the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

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

Taxation Status

Headway Arts is a Charity registered under the 1960 Charities Act and is accorded exemption from liability to taxation on its income under S505 Income and Corporation Taxes Act 1988.

Going Concern

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

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.
- Other income is accounted for when receivable.

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (Continued)

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible Fixed Assets and Depreciation

Capital items costing over £250 are capitalised and included in fixed assets.

Depreciation is provided on any fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

- Furniture, Fittings & Equipment- 33.3% per annum on reducing balance
- IT Equipment - 33.3% straight line
- Leasehold Property Improvements – over the length of the lease (to 3 December 2024)

Impairment of Fixed Assets

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

Financial Instruments

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

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

Debt instruments are subsequently measured at amortised cost where there is a material adjustment.

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (Continued)

Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no significant judgements or estimation uncertainty included within the financial statements.

Pensions

Headway Arts contributes to a defined contribution pension scheme. Further details can be found in Note 8.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

2. Income from Investments

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Bank Interest Receivable	3	-	3	7
	£3	£-	£3	£7

The 2020 total of £7 related wholly to Unrestricted Funds.

3. Income from Donations & Legacies

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Donations	551	-	551	845
	£551	£-	£551	£845

The 2020 total of £845 related wholly to Unrestricted Funds.

HEADWAY ARTS
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Earned Income				
Project Fees	45,623	-	45,623	65,289
Other Earned Income	-	-	-	7,469
	45,623	-	45,623	72,758
Grant Income				
1989 Willan Charitable Trust	-	-	-	6,500
Arts Council England	-	-	-	49,680
Arts Council England - Cultural Recovery	60,250	-	60,250	-
Arts Council England - Emergency Fund	30,129	-	30,129	-
Blyth Town Council	10,000	-	10,000	10,600
Coalfields Regeneration Trust	-	1,895	1,895	7,460
Coronavirus Job Retention Scheme	-	4,448	4,448	-
Culture Bridge Fund at the Community	-	-	-	1,500
Foundation of Tyne & Wear and N'land	-	-	-	-
Curtin PARP Fund at the Community	-	-	-	2,880
Foundation of Tyne & Wear and N'land	-	-	-	-
EDF Blyth Offshore Community Benefit	10,763	-	10,763	-
Fund at the Community Foundation of	-	-	-	-
Tyne & Wear and Northumberland	-	-	-	-
Edward Gostling Foundation	-	2,900	2,900	-
Erasmus+ - Access & Aesthetic	-	16,133	16,133	-
Erasmus+ / British Council	-	-	-	3,052
Erasmus+ REAL	-	7,165	7,165	5,216
European Social Fund	-	7,228	7,228	-
European Social Fund LA6	-	16,616	16,616	10,842
Healthwatch N'land Voice Fund	-	-	-	736
Joicey Trust	-	-	-	3,200
National Lottery Covid19 Response Fund	23,847	-	23,847	40,500
National Lottery Heritage Fund	-	4,500	4,500	-
Northumberland CC	9,721	-	9,721	25,000
Northumberland CC - Community Chest	-	4,943	4,943	4,875
Northumberland CC - COVID Support	10,000	-	10,000	-
Northumberland CC - Heart of Blyth	-	830	830	-
Northumbria University	-	-	-	1,225
People's Postcode Trust	-	-	-	8,660
Percy Bilton Charity	-	470	470	-
Prime Fund - Support Worker Costs	-	3,952	3,952	-
Prime Fund - Star Circus Workshops	-	-	-	4,740
Ridley Family Fund - PrintAble	-	3,880	3,880	-
Rothley Trust	-	-	-	1,000

Continued overleaf...

HEADWAY ARTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from Charitable Activities (Cont.)

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Screwfix Foundation	-	3,587	3,587	-
Shears Foundation	-	-	-	4,500
Sir James Knott Trust	-	-	-	8,000
Wellesley Trust	-	9,700	9,700	-
	154,710	88,247	242,957	200,166
	£200,333	£88,247	£288,580	£272,924

Of the 2020 total of £272,924, £105,958 related to Unrestricted Funds and £166,966 to Restricted Funds.

5. Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Production Costs				
Materials/Project Costs	-	26,533	26,533	21,697
Contract Workers	-	24,450	24,450	30,367
Wages & Salaries	135,271	6,324	141,595	145,134
	135,271	57,307	192,578	197,198
Support Costs				
Travel & Subsistence	1,999	-	1,999	1,261
Office Costs	1,572	-	1,572	2,167
Premises Costs & Room Hire	21,306	-	21,306	16,492
Repairs & Maintenance	4,279	9,000	13,279	3,163
Insurance	6,948	-	6,948	7,769
Depreciation	6,264	5,801	12,065	9,005
	42,368	14,801	57,169	39,857
Governance Costs				
Bank Charges & Interest	97	-	97	193
Independent Examiner's Fees	1,152	-	1,152	1,152
Legal & Professional Fees	1,200	-	1,200	-
Bad Debts	-	-	-	1,745
	2,449	-	2,449	3,090
	£180,088	£72,108	£252,196	£240,145

Of the 2020 total of £240,145, £112,238 related to Unrestricted Funds and £127,907 to Restricted Funds.

HEADWAY ARTS
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Net Income/(Expenditure)

Net income/(expenditure) is stated after charging/(crediting):	2021 £	2020 £
Independent Examiner's Fees	1,152	1,152
Depreciation – Owned Assets	12,065	9,005
Operating Leases – Land & Buildings	15,000	15,000

7. Staff Costs/Trustees' Remuneration

	2021 £	2020 £
Gross Salary Costs	129,445	132,250
Pension Costs	3,135	3,071
Social Security Costs	9,015	9,813
	£141,595	£145,134

No employee received remuneration of more than £60,000 during the year (2020 - Nil).

The average number of staff employed during the year, calculated as full-time equivalents, was as follows:

	2021 No.	2020 No.
Artistic Production and Support	5	5

No remuneration was paid to or waived by Trustees/Directors in the year (2020: Nil) and no travel and subsistence expenses (2020: None) were reimbursed to Trustees in respect of their attendance at meetings of the charity.

There were no transactions undertaken by, or on behalf of the charity, in which any Trustees or a connected person had a material interest during the year to 31 March 2021 (2020: Nil).

8. Pension Scheme

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. In the year to 31 March 2021 Headway Arts made an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

These amounts are paid over to the scheme on a monthly basis.

Contributions totalling £950 were outstanding at 31 March 2021 (2020: £807).

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9. Tangible Fixed Assets

	Leasehold Property Improvements £	IT Equipment £	Fixtures, Fittings & Equipment £	Total Fixed Assets £
Cost				
At 1 April 2020	57,120	6,882	45,179	109,181
Additions in year	-	7,480	4,927	12,407
At 31 March 2021	57,120	14,362	50,106	121,588
Accumulated Depreciation				
At 1 April 2020	28,113	5,416	38,498	72,027
Charge for year	5,801	3,608	2,656	12,065
At 31 March 2021	33,914	9,024	41,154	84,092
Net Book Value				
At 31 March 2021	£23,206	£5,338	£8,952	£37,496
At 1 April 2020	£29,007	£1,466	£6,681	£37,154

10. Debtors

	2021 £	2020 £
Trade Debtors	4,764	7,518
Accrued Income – Grant Funding	42,743	24,990
	£47,507	£32,508

All sums are due within 1 year.

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11. Creditors – Amounts Falling Due Within 1 Year

	2021	2020
	£	£
Taxes & Social Security Costs	3,220	10,084
Pension Scheme Creditor	950	807
Sundry Creditors	4,933	-
Accruals	6,092	4,456
	£15,195	£15,347

12. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Fixed Assets			37,496	37,154
Debtors			47,507	32,508
Cash at Bank and In Hand			74,812	53,367
Creditors – Amounts Due Within 1 Year	(15,195)	-	(15,195)	(15,347)
	£50,110	£94,510	£144,620	£107,682

HEADWAY ARTS
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FOR THE YEAR ENDED 31 MARCH 2021

13. Analysis of Charitable Funds

	Fund at 1 April 2020 £	Incoming Resources in Year £	Resources Expended in Year £	Fund at 31 March 2021 £
Unrestricted Funds				
Charity General Fund	29,311	200,887	(180,088)	50,110
Restricted Funds				
Arts Council England - CoCreArt	29,724	-	-	29,724
Coalfields Regeneration Trust	-	1,895	(1,895)	-
Coastal Revival Fund*	24,826	-	(4,909)	19,917
Coronavirus Job Retention Scheme	-	4,448	(4,448)	-
Culture Bridge Fund at the Community Foundation of Tyne & Wear and N'land	1,500	-	-	1,500
Curtin PARP Fund	2,880	-	-	2,880
Edward Gostling Foundation	-	2,900	-	2,900
Erasmus+ - Access & Aesthetic	-	16,133	(5,267)	10,866
Erasmus+ REAL	-	7,165	(7,165)	-
European Social Fund - Releasing Potential	-	7,228	(7,228)	-
European Social Fund LA6 - Moving Mountains	-	16,616	(16,616)	-
Healthwatch N'land Your Voice Fund	736	-	(736)	-
National Lottery Heritage Fund - Sill2Sea	-	4,500	-	4,500
Northumberland CC - Community Chest	-	4,943	(4,943)	-
Northumberland CC - Heart of Blyth	-	830	-	830
Northumberland County Council	5,000	-	(5,000)	-
Percy Bilton Charity	-	470	(470)	-
Prime Fund - Support Worker Costs	-	3,952	(3,952)	-
Prime Fund - Star Circus Workshops	4,740	-	-	4,740
Ridley Family Fund - PrintAble	-	3,880	-	3,880
Rothley Trust	1,000	-	(1,000)	-
Screwfix Foundation	-	3,587	(3,587)	-
Sir James Knott Trust	4,000	-	(4,000)	-
Wellesley Trust - Work With Young People	-	9,700	-	9,700
Wellesley Trust - Building Improvements*	3,965	-	(892)	3,073
Total Restricted Funds	78,371	88,247	(72,108)	94,510
Total Funds	£107,682	£289,134	£(252,196)	£144,620

*Though £46,145 from Coastal Revival Fund and £9,549 from the Wellesley Trust was received and fully spent in the year to 31 March 2017 on the capital redevelopment of Headway ArtSpace, the required accounting treatment releases the grants over the period of the lease, matching the annual depreciation of the capital improvements.

HEADWAY ARTS
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Arts Council England	To fund the CoCreArt Talking Seeing Doing project
Coalfields Regeneration Trust	To fund dance workshops
Coastal Revival Fund	To fund a programme of building improvements
Coronavirus Job Retention Scheme	To support the costs of furloughed staff
Culture Bridge Fund at the Community Foundation of Tyne & Wear and Northumberland	To fund the Croftway Bus Project
Curtin PARP Fund at the Community Foundation of Tyne & Wear and Northumberland	To fund Stars workshops
Edward Gostling Foundation	To fund circus workshops
Erasmus+ - Access & Aesthetic	To fund the Access & Aesthetic European partnership
Erasmus+ REAL	To fund the REAL European partnership
European Social Fund LA7	To fund the Releasing Potential employment training project for those considered hardest to reach
European Social Fund LA6	To fund Moving Mountains
Healthwatch N'land Your Voice Fund	To fund a creative consultation
National Lottery Heritage Fund	To fund the Sill2Sea project
Northumberland CC - Community Chest	To fund kitchen improvements
Northumberland CC - Heart of Blyth	To fund a creative consultation
Northumberland County Council	To fund a programme of building improvements
Percy Bilton Charity	To fund kitchen improvements/new dishwasher

HEADWAY ARTS
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FOR THE YEAR ENDED 31 MARCH 2021

13. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Prime Fund at the Community Foundation of Tyne & Wear and Northumberland - Support Worker	To support the costs of a Project Worker
Prime Fund at the Community Foundation of Tyne & Wear and Northumberland - Workshops	To fund Stars workshops
Ridley Family Charity	To fund the PrintAble project
Rothley Trust	To fund a programme of building improvements
Screwfix Foundation	To fund kitchen improvements
Sir James Knott Trust	To fund the costs of Support Workers
Wellesley Trust - Work With Young People	To fund work with young people
Wellesley Trust - Building Improvements	To fund a programme of building improvements

14. Taxation

The company is a registered charity and no provision is considered necessary for taxation.

15. Financial and Capital Commitments

No material financial and/or capital commitments have been made in respect of future financial periods (2020: None).

16. Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The company law members of the charity are the members of its Board of Trustees.

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.