

**Charity registration number 1083910**

**Company registration number 03998925 (England and Wales)**

**HEADWAY EAST LONDON**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# HEADWAY EAST LONDON

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr N A Keen	
	Ms S Griggs	
	Mr G Hodgson	
	Mr A Palluotto	
	Mr P S Dhoofer	
	Ms B Noha	
	Ms A Kershberg	(Appointed 21 March 2022)
	Mr D Hilton	(Resigned 28 February 2022)
	Ms L K Lodwick	(Resigned 16 August 2022)
	Ms M Antoni	(Resigned 14 December 2021)
	Mr D Smith	(Resigned 14 December 2021)
	Mr J D Stockdale	(Resigned 24 September 2021)
	Ms K Hibbert	(Resigned 09 August 2021)
<b>Charity number</b>	1083910	
<b>Company number</b>	03998925	
<b>Registered office</b>	Bradbury House Timber Wharf 238-240 Kingsland Road London E2 8AX	
<b>Auditor</b>	SRG (AUDIT) LLP 10 Bolt Court London EC4A 3DA	

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# HEADWAY EAST LONDON

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# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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### Why we're here

Hello, we're Headway East London. We're here to support those in our city affected by brain injury.

Each year in the capital, tens of thousands of people are admitted to hospital with a brain injury. This might be the result of an illness like meningitis, stroke, or head trauma.

Brain injury can have a significant impact on the life of the individual and those closest to them. For many, it becomes a long-term condition which requires long-term support.

Headway East London was founded in 1997, and opened its doors to members one year later. To begin with, we just worked in Hackney, but we've grown significantly and today help people from across 13 London boroughs.

In 2020/21, we supported over 700 brain injury survivors, family members and carers. Over the next five years, we've got ambitions to reach more people than ever before.

### What we do

We combine expertise to do things a little differently.

Brain injury is complicated. It affects people in lots of different ways, and not all of them are visible. In fact, brain injury is often referred to as a hidden disability.

In many cases, people with a brain injury are offered generic support for a physical disability, which makes only a limited difference. This not only represents poor value for money for commissioners, but it can also lead to a deterioration in health, wellbeing and relationships; requiring additional intervention for both survivors and their families.

At Headway East London, we offer services specifically tailored to the needs of people affected by brain injury. Most importantly and uniquely, we always work in partnership with those we support. We know our members are experts in their own injury and needs; that only they can tell us what is most important to them. We combine this expertise with our own, empowering people affected by brain injury to explore new identities; developing new skills and interests along the way.

### How we work

We understand and support the whole person.

We believe in the power of connection and creativity to create better futures for those affected by brain injury. Our holistic approach means that projects are co-produced in response to members' needs, desires and ambitions, whilst the breadth of our work reflects the diversity of Headway East London's community.

Our art studio – Submit to Love – provides a means of discovery and expression, whilst our kitchen project encourages people to work together on a shared goal. Weekly dance, music, writing and exercise groups provide several ways for members to gain skills, share stories and find agency in their own journey. Meanwhile, partnerships with leading organisations like the Barbican celebrate our members' work and talents on a national stage.

All of this sits alongside our established day services, neurological therapies, community support and casework and advocacy services. We take a responsive approach, so that members can access the support and projects they feel will most benefit and interest them.

# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Who we are

#### We are one big team.

At Headway East London, members, staff and volunteers talk about feeling part of one community in which every person is valued and respected. We're all equal partners, combining our collective experiences to make a difference.

Members have a feeling of belonging and can be themselves, or find themselves again. Since many of our volunteers have personal experience of brain injury, they also bring invaluable insight to our work. Decisions and ideas are shared, and we place a strong emphasis on peer support in all that we do.

Each day we come together to discover what's meaningful in life; forging friendships and connections along the way. While we have ambitious plans to grow, we are dedicated to maintaining this philosophy and community. It's what makes us so special.

### Why it matters

#### Our work is important – to people affected by brain injury and their families, but also to the communities they live in.

The impact of brain injury on someone's life can be severe. We help people to not only navigate this unimaginable experience, but move towards a place where they can meet their potential and thrive. At the same time, we also reduce pressure on non-specialist services and ensure public money is spent more effectively.

Every person we support should be able to live the life they want, without facing marginalisation and lack of understanding. That doesn't only affect our members: it benefits entire communities and health and social care economies. Together we can discover new ways of looking at the world, and ensuring it is accessible to everyone.

### The Future

#### We've got big plans.

We've got ambitious plans for the next five years. We want to be the leading brain injury organisation in London providing high quality, innovative specialist support, and to have a strong voice across the health and social care sector. We also want to create more opportunities for our members to share their contributions and talents, and to interrogate what true collaboration looks like in the process.

There is no shortage of people who would benefit from our help. In 2016/17, the most recent year for which data is publicly available, almost 40,000 people were admitted to a London hospital with an acquired brain injury. That was a 15% increase over the 10 years to that point.

Our aims for 2022-2026 are to:

- Help more people than ever before; we want to double the number of people we reach each year across London to 1,500 by 2026
- Provide new innovative and creative ways of supporting brain injury survivors, and different opportunities for people to connect with us
- Continue to fight for equity for brain injury survivors and develop our social justice voice; raising awareness of the impact of brain injury and our work
- Make sure that everyone who is part of Headway East London enjoys their role and feels they are contributing towards the same goal

# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Objectives and activities

#### Our mission

We empower our community of brain injury survivors and their families to imagine new possibilities – ones filled with creativity, embracing diversity and backed by specialist support.

#### Our vision

Brain injury survivors experience a world which is accessible to them, and where their contributions are valued and celebrated.

#### Our principles

- Coproduction: Members are at the centre of everything we do; they are actively involved in designing new projects, developing new ideas and helping to make decisions at all levels.
- Equity, diversity and inclusion: We are committed to valuing every person as an individual and ensuring that our members, staff and volunteers do not experience discrimination at Headway East London. We will continue to work hard and create space for these conversations with everyone involved in the organisation.
- Sustainability: We want to be around for the long term, to support survivors of brain injury now and in the future. To do this we will make sure our systems and processes are efficient and effective to support our work, and work hard to make sure our financial position remains positive. We care about broader sustainability too. That's why we're committed to cutting our carbon footprint, including through reducing our dependence on non-renewable energy sources.

### A message from our CEO and Chair

This year we fully re-opened our doors, as the Day Service returned to as 'normal' as possible after the pandemic. We began the year offering hybrid support for our members, working on half capacity within the day centre to allow for social distancing. While our community of members, staff and volunteers were pleased to be back, it wasn't quite the same and our usual buzzing atmosphere was missing.

We were delighted to re-open at full capacity in August 2021, and gradually bring our community back together. It was wonderful to hear the hum of people talking and being together again as we resumed all our usual groups and activities, which had been paused or had to work differently through the pandemic. Over the year we reduced our infection control measures in line with government guidance, and staff continued to wear masks with members and test regularly.

Our Community Support Work Service continued to support people in their homes and in the community, providing crucial support to help people stay connected, independent and reduce isolation. The Board made an important decision to move our Community Support workers to permanent contracts, to help us recruit and retain great staff by providing more stability and opportunity in these roles.

The Casework team supported individual members with issues including housing and benefits, offered monthly support groups in Hackney and Romford, and re-launched our work in the Royal London Hospital. Our 'Better Together' project with the Royal London Hospital now runs weekly sessions on the neuro wards of the hospital.

We developed new partnerships, including with French Connection and Bonnier books, providing our artists in the Submit to Love studio with opportunities to design t-shirts and book covers, as well as continuing our relationship with the Barbican as their Community Collaborator. We ran several art sales, including at Osbornes Law's offices.

We embarked on a programme of organisational change following the start of our new CEO. By Autumn we had recruited a new senior management team, including promoting staff internally into new roles, and began work on our new mission, vision and values. In the second half of the year we brought together members, volunteers, staff, trustees and stakeholders to co-create our five-year strategy, launched in May 2022. This was a major piece of work to ensure that everyone's voices were heard, and we are pleased with the exciting and ambitious strategy we developed.

Covid-19 continued to bug us, with staff sickness absence higher than usual making service delivery challenging at times, and staff having to adapt quickly to make sure our services were safe. Our amazing staff team were resilient and despite these external pressures, continued to deliver high quality support to our members.

# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

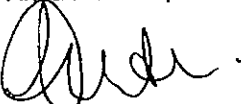
FOR THE YEAR ENDED 31 MARCH 2022

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We restructured our Finance, Admin and Comms teams to better meet the needs of the organisation, and are looking forward to new staff joining us in 2022. We also said goodbye to four trustees, and welcomed Alice Kershberg to the board, whose expertise as a clinical nurse specialist will be invaluable as we look to the future.

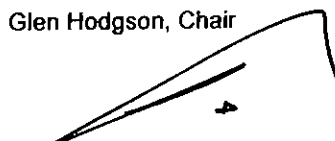
Like most charities and social care providers we're still working in a very difficult environment living with Covid-19, but we all know how important our services and support are to our members and the difference that it makes. We're grateful to all our supporters, funders and volunteers who give money and time to help us keep making a difference, and we're excited about a bright future of opportunities and developments coming up.

Anna McEwen, CEO



Date: 15/12/2022

Glen Hodgson, Chair



Date: DECEMBER 21 2022

### Financial Overview - Treasurer

Despite emerging from the economic difficulties caused by the global pandemic, it has continued to be a challenging year owing to limited resources and funding constraints. Despite this, with a focused strategy and careful financial management, the charity has managed to deliver a healthy surplus for the year.

Income was down 8.8% on the budgeted income target, with expenditure down 10.8% on budget. The planned surplus for 2021-22 was £5,111 and the actual surplus was £37,493, up £32,382. Savings were made in Transport costs and Staff costs. The total income for the charity was £1,883,656, which represents a 9.5% increase on the previous year after excluding furlough income received of £47,296 in 20-21. Total expenditure was £1,846,163, an increase of 4.6% on the previous year.

Total staff costs were £1,415,178, a decrease of 4.8% on 2020-21. The decrease is attributable to savings in senior management team, a restructure in response to the covid-19 pandemic and lower CSWS casual staff costs in response to lower budgeted income. However, despite this lower figure a 1% cost of living increase was awarded to all staff.

### Raising Money

Whilst a large proportion of our income is derived from service incomes, we rely on fundraising from our community and supporters to bridge the gap between fees income and all the services we want to provide for our members. It was another challenging year in the fundraising environment, and we are very grateful for the continued support of our corporate, trust, Headway Friends, and community supporters to see us through, putting us in a strong position for future growth.

Our fundraising streams were split into: Grants £76,583, Corporate £27,717, Individuals £25,000, Art £16,325, Community £7,900, Supper Club & Winter Feast £9,017, Merchandise £7,234, Gift Aid £3,482 and Sponsored Challenges £3,025.

### Fundraising highlights

Our fundraising performance of 96% against target represents the amazing support we receive from our community, grant-making funders and corporate supporters in what was a very challenging fundraising environment for all charities.

Individual donors and supporters:

# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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As restrictions eased our supporters were able to return to sponsored events. Enormous thanks to Noel Sainsbury and OLSGEIRE, who carried out their annual London-Essex cycle ride in support of our work, and to Alex Sensier who undertook a whole year's worth of sponsored activities in memory of his father.

We are tremendously grateful to all those who give to us, but especially our Headway Friends, who make regular donations in support of our work.

### Grants

We receive incredible support from trusts and foundations and are especially grateful for the following:

- Sport England supported members to undertake physical activities;
- National Lottery Charity Fund continued funding of our Casework Service and gave an additional grant to help us to improve our outcomes monitoring and reporting;
- Henry Smith Charity continued support of our Day Service;
- Garfield Weston Foundation made a grant to our Community Support Worker Service;
- the Worshipful Company of Fan Makers and the February Foundation for renewing their support;
- London Borough of Hackney Culture Department;
- the Let's Create Jubilee fund via the East End Community Foundation.

Enormous thanks go to our corporate supporters: Osbornes Law who sponsored our website and hosted a highly successful art auction; M J Hudsons, supporting us through a two-year partnership; BBK and Irwin Mitchell.

We undertook our first campaign through The Big Give and, thanks to the generosity of our community, raised £4,000 towards our Submit to Love studio.

We developed new partnerships, including with French Connection and Bonnier books, providing our artists in the Submit to Love studio with opportunities to design t-shirts and book covers, as well as continuing our relationship with the Barbican as their Community Collaborator. We ran several art sales, including at Osbornes Law's offices.

Our second Winter Feast took place in December 2021, after a 2 year hiatus due to the pandemic. Kindly sponsored by Irwin Mitchell, 34 people attended, including corporate partners BBK.

Finally we launched our Better Together project in October 2021, a collaboration between Headway East London and the Royal London Hospital, kindly funded and supported by Bolt Burden Kemp law firm for the next 4 years. All of the funding we have received from our providers helps to improve the lives of our members. We empower our community of brain injury survivors and their families to imagine new possibilities; ones filled with creativity, embracing diversity and backed by specialist support.

### Supporters

- Arts Council Jubilee Fund
- BBK
- BlackRock
- Credit Suisse
- Derek Hill Foundation
- February Foundation
- Five Points Brewery
- Felix Project
- Forrester Family Trust
- Gallagher RE
- Garfield Weston Foundation
- Henry Smith Charity
- Irwin Mitchell
- Joseph Strong Frazer Trust
- London Borough of Hackney
- London Catalyst
- M&G PLC
- MJ Hudson
- National Lottery Community Fund

# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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- Osbornes Law
- Rathbones
- Sir Jules Thorn Charitable Trust
- Square Mile Coffee
- Souter Charitable Trust
- St James Place Charitable Foundation
- Worshipful Company of Fan Makers
- Volkerfitzpatrick Ltd

### Additional Information

#### Structure, Governance & Management

Headway East London is a Charity and Company limited by guarantee. If the Charity must be wound up the Directors of the Company (Trustees of the Charity) would have a maximum liability of £1.

On 31 March 2022 there were 8 Trustees, each with different skills and interests reflecting the needs of the charity, a full skills audit took place during the year. Trustees usually meet four times a year to oversee the running of the charity with an additional meeting for the Annual General Meeting which took place on 14 December 2021.

The Board was supported by three sub-committees which meet quarterly online: Finance & Audit, Governance and Creative Committee. A trustee strategy working group also met during the development of our new strategy.

We would like to extend thanks to Jez Stockdale, Katharine Hibbert, Marilene Antoni, Dan Smith and Daniel Hilton who stood down as Trustees during the year for their contribution and input to the work of Headway East London. We welcomed Alice Kershberg who was appointed as a Trustees on the 21st of March 2022.

New trustees undergo a comprehensive induction to brief them on the structure and governance of the charity, the organisational strategy, business plan and budget together with recent financial performance, as well as their obligations under the Trustees Code of Conduct. Trustees are also invited to attend in-house training relating to brain injury and to spend time in the Day Service engaging with staff, volunteers and members. Trustees are provided with relevant information from the Charity Commission on a regular basis.

Day to day responsibility for the running of the charity was delegated to the Chief Executive, Anna McEwen, and the senior management team.

#### Public benefit

The trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit when reviewing the charity's aims and objectives and in planning future activities. As well as improving the lives of people affected by brain injury, Headway East London provides benefits to the wider public by equipping its members to make a positive contribution to society and through its occupational, training, campaigning and awareness raising activities.

#### Reserves

The trustees' policy is to maintain unrestricted reserves at a level that allows Headway East London to be managed efficiently, to provide a buffer for interrupted services, to provide for future potential relocation and service development and to cover costs in the event of the charity needing to wind-down services due to significant loss of income, and or increases in costs. The charity's approach in the event of significant income reduction and/or cost escalation would be to anticipate this as far as possible, and to respond by modifying services in a planned way to meet the new situation, while at the same time taking steps to seek alternative sources of funding, and thus continue to provide a sustainable and effective service to as many people as possible.

There has been a further review of level of funds required to be allocated to a contingency reserve and we have determined that the minimum amount will be set at £369,600. This has been increased by £60,000 (19%) to provide against an uncertain economic outlook. Robust contingency plans are in place to enable the charity to respond to possible situations, as identified through the risk management process. For example, steps are being taken to respond to the situation when current high demand services will be affected with the likely end of major grants. £656,687 of reserves was held, as at 31 March 2022, increased from £619,193 as at 31 March 2021. £169,573 of reserves is restricted. £369,600 of unrestricted reserves is held in a contingency reserve; £73,718 of unrestricted reserves is fixed assets. There is £43,796 of available free reserves. The trustees have agreed to set aside the full amount of £43,796 of free reserves as a provision for increased costs and the inflationary headwinds anticipated in 22-23.

# **HEADWAY EAST LONDON**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Staffing**

At the end of the 2021-22 financial year Headway East London had 52 employees with a staff turnover of 30% during the year. We rely heavily on volunteers to provide our services, add value and bring additional skills and experience to enhance our members' experience in all our services. During 2021-22 we had a total of 30 volunteers, 15 of whom were brain injury survivors. We also had 3 student therapist placements and 2 therapist volunteers, providing counselling, art therapy and craniosacral therapy as part of our neurological therapy team. Rebounding from the pandemic all our staff and volunteers continue to be an incredibly dedicated team who work with passion and enthusiasm for the benefit of brain injury survivors and their families.

### **Risk Management**

An updated Risk Register is maintained that identifies potential risks and the impact of those risks. The register details the controls in place to mitigate each risk, together with the associated monitoring processes. The risks, control and monitoring procedures are reviewed and reassessed regularly by the Senior Management Team. Areas of potential improvement are identified and timetables for action implemented. The Risk Matrix can be added to at any time and is reviewed by the Board of Trustees regularly. The Finance and Audit Committee has responsibility for monitoring the financial risk areas, identifying new risks and proposing amendments as necessary.

The Governance committee has responsibility for monitoring other governance risks, including issues such as safeguarding, health and safety, and data protection.

### **Trustees Responsibilities' Statement**

The trustees, who are also the directors of Headway East London for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# HEADWAY EAST LONDON

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Significant Challenges and Opportunities

#### Statutory Funding:

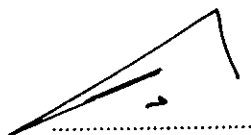
Local authorities have a statutory duty to provide support to people who have an assessed need under the Care Act 2014. There are no other specialist brain injury support providers in our area and so we have a significant waiting list for our services. In 2021/22 we did some detailed work on our costings for our day service and community support work service so that we can ensure we are charging local authorities the true costs of the services. Trustees made a decision in 2021 that we can no longer subsidise statutory services with charitable funds which are used to provide support to anyone with a brain injury regardless of meeting a criteria.

#### Awareness & Brand Recognition:

We have continued to raise awareness and build our brand as an organisation through our social media presence, developing relationships across the social care and brain injury sectors and getting back out into the world post-Covid with members and finding opportunities for members to tell their stories. The campaign for, and subsequent development of, an ABI strategy has given us opportunity and recognition with the Department of Health and Social Care that we've not had previously. Our new strategy has a big focus on awareness raising over the next five years.

#### Auditor

The charity reviewed the auditor relationship, on the request of the trustees. Following the year end, the Charity has completed an audit tender. At the Annual General Meeting, the trustees appointed Haines Watts as Auditor for the year ended 31 March 2023 financial statements.



Mr G Hodgson  
Director

Date: 21 December 2022

# HEADWAY EAST LONDON

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF HEADWAY EAST LONDON

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#### Opinion

We have audited the financial statements of Headway East London (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2022 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other Information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# HEADWAY EAST LONDON

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HEADWAY EAST LONDON

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

SRG (AUDIT) LLP

Mr Trevor Clarke (Senior Statutory Auditor)  
for and on behalf of SRG (AUDIT) LLP  
Chartered Accountants  
Statutory Auditor

21 December 2022

10 Bolt Court  
London  
EC4A 3DA

# **HEADWAY EAST LONDON**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HEADWAY EAST LONDON**

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SRG (AUDIT) LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# HEADWAY EAST LONDON

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds	Restricted funds	Total 2022	Total 2021
	Notes	£	£	£	£
<b><u>Income from:</u></b>					
Donations and legacies	3	111,322	304,196	415,518	417,292
Charitable activities	4	1,352,099	101,243	1,453,342	1,332,548
Other trading activities	5	14,764	-	14,764	15,810
Investments	6	32	-	32	1,328
<b>Total income</b>		<b>1,478,217</b>	<b>405,439</b>	<b>1,883,656</b>	<b>1,766,978</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	91,885	-	91,885	83,637
Charitable activities	8	1,423,966	330,312	1,754,278	1,682,117
<b>Total resources expended</b>		<b>1,515,851</b>	<b>330,312</b>	<b>1,846,163</b>	<b>1,765,754</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(37,634)</b>	<b>75,127</b>	<b>37,493</b>	<b>1,224</b>
Fund balances at 1 April 2021		524,747	94,446	619,193	617,969
<b>Fund balances at 31 March 2022</b>		<b>487,113</b>	<b>169,573</b>	<b>656,686</b>	<b>619,193</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# HEADWAY EAST LONDON

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13		116,378		119,520
<b>Current assets</b>					
Debtors	14	197,351		196,705	
Cash at bank and in hand		542,296		565,169	
		739,647		761,874	
<b>Creditors: amounts falling due within one year</b>	15	(199,338)		(262,201)	
Net current assets			540,309		499,673
<b>Total assets less current liabilities</b>			656,687		619,193
<b>Income funds</b>					
Restricted funds	17		169,573		94,446
<u>Unrestricted funds</u>					
Designated funds		369,600		309,600	
General unrestricted funds		117,514		215,147	
			487,114		524,747
			656,687		619,193

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on December 8 2022

Mr G Hodgson  
Trustee

Company Registration No. 03998925

# HEADWAY EAST LONDON

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(6,539)		92,966
<b>Investing activities</b>					
Purchase of tangible fixed assets		(16,368)		(22,702)	
Interest received		34		1,327	
<b>Net cash used in investing activities</b>			(16,334)		(21,375)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(22,873)		71,591
Cash and cash equivalents at beginning of year			565,169		493,578
<b>Cash and cash equivalents at end of year</b>			<u>542,296</u>		<u>565,169</u>

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

Headway East London is a private company limited by guarantee incorporated in England and Wales. The registered office is Bradbury House, Timber Wharf, 238-240 Kingsland Road, London, E2 8AX.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Income is stated net of sales taxes and discounts.

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over life of the lease
Plant and equipment	Over 4 years straight line
Fixtures and fittings	Over 4 years straight line
Computers	Over 4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	40,274	156,099	196,373	86,588	132,979	219,567
Restricted grants	18,124	148,097	166,221	17,751	110,829	128,580
Sponsorship	3,025	-	3,025	3,805	-	3,805
Other	49,899	-	49,899	65,340	-	65,340
	<u>111,322</u>	<u>304,196</u>	<u>415,518</u>	<u>173,484</u>	<u>243,808</u>	<u>417,292</u>

#### 4 Charitable activities

	Fee income	Transport income	CSW services	Therapies	Total 2022	Total 2021
	2022	2022	2022	2022		
	£	£	£	£	£	£
Other income	<u>888,791</u>	<u>159,275</u>	<u>284,952</u>	<u>120,324</u>	<u>1,453,342</u>	<u>1,332,548</u>
Analysis by fund						
Unrestricted funds	888,791	159,275	284,952	19,081	1,352,099	1,232,604
Restricted funds	-	-	-	101,243	101,243	99,944
	<u>888,791</u>	<u>159,275</u>	<u>284,952</u>	<u>120,324</u>	<u>1,453,342</u>	<u>1,332,548</u>

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Charitable activities

(Continued)

For the year ended 31 March 2021

	Fee income	Transport income	CSW services	Therapies	Total 2021
	£	£	£	£	£
Other income	874,625	29,966	305,468	122,489	1,332,548
Analysis by fund					
Unrestricted funds	874,625	29,966	305,468	22,545	1,232,604
Restricted funds	-	-	-	99,944	99,944
	874,625	29,966	305,468	122,489	1,332,548

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	14,764	15,810

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	32	1,328

### 7 Raising funds

	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Costs of raising donations and legacies	14,897	8,167
Staff costs	76,988	75,470
Fundraising and publicity	91,885	83,637

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

<b>7 Raising funds</b>	<b>(Continued)</b>	
	<u>91,885</u>	<u>83,637</u>
<b>8 Charitable activities</b>		
	<b>Charitable Expenditure 2022 £</b>	<b>Charitable Expenditure 2021 £</b>
Staff costs	850,029	1,002,791
Depreciation and impairment	12,771	11,270
Premises costs	129,719	127,267
Volunteers' expenses	468	496
Other expenses	4,846	5,872
Bank charges	2,424	2,107
Members' activities	26,249	21,919
Members' transport	112,312	22,005
Communication expenses	3,576	2,105
Provision for bad debts	4,000	2,500
	<u>1,146,394</u>	<u>1,198,332</u>
Share of support costs (see note 12)	524,560	400,410
Share of governance costs (see note 12)	83,324	83,375
	<u>1,754,278</u>	<u>1,682,117</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,423,966	1,314,093
Restricted funds	330,312	368,024
	<u>1,754,278</u>	<u>1,682,117</u>
<b>9 Auditor's remuneration</b>		
<b>Fees payable to the charity's auditor and associates:</b>	<b>2022 £</b>	<b>2021 £</b>
Audit of the charity's annual accounts	<u>10,134</u>	<u>7,554</u>
<b>Non-audit services</b>		
All other non-audit services	<u>6,360</u>	<u>6,610</u>

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Part-time	20	22
Full-time	20	21
Casual	16	14
Total	56	57

#### Employment costs

	2022 £	2021 £
Wages and salaries	1,271,014	1,314,640
Social security costs	82,630	103,923
Other pension costs	61,276	64,189
	1,414,920	1,482,752

In addition, the charity is supported on a daily basis by dedicated volunteers, the value of which is not reflected in these accounts.

The average number of full time equivalent employees for the year was 32 (2021: 32 ).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 to £70,000	1	-

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 12 Support costs

	Charitable activities £	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	850,029	450,935	36,968	1,337,932	1,407,282
Volunteers expenses	2,424	583	-	3,007	2,107
Members' activities	26,249	-	-	26,249	22,919
Members' transport	112,312	-	-	112,312	22,005
Other expenses	4,845	862	-	5,707	5,872
Communication expenses	3,576	2,912	-	6,488	5,501
Provision for bad debts	4,000	-	-	4,000	2,500
Legal and professional	-	(1,000)	30,461	29,461	16,191
Audit fees	-	-	10,134	10,134	7,554
<b>Support costs allocated to activities (all based on staff usage)</b>				-	
Premises costs	129,719	63,812	5,231	198,762	175,010
Bank charges	468	228	19	715	682
Depreciation	12,771	6,227	511	19,509	15,494
	<b>1,146,393</b>	<b>524,559</b>	<b>83,324</b>	<b>1,754,276</b>	<b>1,679,618</b>

### 13 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>					
At 1 April 2021	380,876	55,888	12,059	40,456	489,279
Additions	-	8,328	-	8,040	16,368
<b>At 31 March 2022</b>	<b>380,876</b>	<b>64,216</b>	<b>12,059</b>	<b>48,496</b>	<b>505,647</b>
<b>Depreciation and impairment</b>					
At 1 April 2021	273,516	51,386	10,369	34,488	369,759
Depreciation charged in the year	13,581	2,928	1,188	1,813	19,510
<b>At 31 March 2022</b>	<b>287,097</b>	<b>54,314</b>	<b>11,557</b>	<b>36,301</b>	<b>389,269</b>
<b>Carrying amount</b>					
At 31 March 2022	93,779	9,902	502	12,195	116,378
At 31 March 2021	107,360	4,502	1,690	5,968	119,520

## HEADWAY EAST LONDON

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	80,056	49,966
Other debtors	17,500	17,500
Prepayments and accrued income	99,795	129,239
	<u>197,351</u>	<u>196,705</u>

#### 15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	30,048	26,484
Trade creditors	104,975	167,210
Other creditors	18,883	19,770
Accruals and deferred income	45,432	48,737
	<u>199,338</u>	<u>262,201</u>

#### 16 Retirement benefit schemes

##### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £61,276 (2021 - £64,189).

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020	Movement in funds			Revaluations, gains and losses	Balance at 1 April 2021	Movement in funds			Balance at 31 March 2022
	£	Incoming resources	Resources expended	Transfers		£	Incoming resources	Resources expended	£	£
<i>Barchester's Charitable Foundation</i>	-	-	-	-	-	-	-	-	-	-
<i>BBK</i>	3,473	6,801	(9,137)	-	-	1,137	35,000	(36,137)	(227)	222
<i>BlackRock</i>	-	-	-	-	-	-	3,637	(3,637)	-	-
<i>Boshier Hinton Foundation</i>	578	-	(417)	-	-	161	-	(161)	-	-
<i>Charities Trust</i>	-	-	-	-	-	-	730	(730)	-	-
<i>City Bridge Trust</i>	4,192	51,523	(50,246)	-	-	5,469	12,983	(14,545)	-	3,907
<i>Clothworkers' Foundation</i>	14,496	-	(2,861)	-	-	11,635	-	(3,580)	-	8,055
<i>Company of Arts Scholars</i>	1,015	-	(540)	-	-	475	-	-	-	475
<i>Cotton Trust</i>	556	-	(556)	-	-	-	-	-	-	-
<i>Derek Hill Foundation</i>	-	-	-	-	-	-	2,000	(1,620)	-	380
<i>Disability Arts</i>	-	-	-	-	-	-	200	(90)	-	110
<i>East End Community Foundation</i>	-	2,000	(2,000)	-	-	-	-	-	-	-
<i>Enfield CCG</i>	-	99,944	(99,944)	-	-	-	101,243	(92,388)	-	8,855
<i>Estate of Maharaj</i>	-	-	-	-	-	-	14,728	(14,728)	-	-
<i>Ford Britain Trust</i>	691	-	(237)	-	-	454	-	(237)	-	217
<i>Gallagher RE</i>	-	-	-	-	-	-	730	(730)	-	-
<i>Garfield Weston Foundation</i>	-	-	-	-	-	-	25,000	(18,750)	-	6,250
<i>Golsoncott Foundation</i>	750	-	(750)	-	-	-	-	-	-	-
<i>Grenhall Foundation</i>	1,498	-	(502)	-	-	996	-	(502)	-	494
<i>Hackney Parochial Charities</i>	-	300	(284)	-	-	16	-	(16)	-	-
<i>Hello Again Hackney Fund</i>	-	-	-	-	-	-	7,277	-	-	7,277
<i>Henry Smith Charity</i>	-	22,900	(17,175)	-	-	5,725	60,000	(35,725)	-	30,000
<i>Hospital Saturday Fund</i>	-	-	-	-	-	-	2,000	(2,000)	-	-
<i>Independence at home</i>	291	3,607	(3,699)	-	-	199	-	-	-	199

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17	Restricted funds									(Continued)
	Irwin Mitchell	614	-	(614)	-	-	-	-	-	-
	Islington Mind	-	100	(100)	-	-	-	-	-	-
	LCRF Grant	-	41,560	(41,560)	-	-	-	-	-	-
	M & G Investments	1,901	-	(1,901)	-	-	-	-	-	-
	Music for all	250	-	(250)	-	-	-	-	-	-
	Northern Trust	939	-	(394)	-	-	-	-	-	-
	Osbornes	-	10,500	(10,000)	-	545	-	-	545	-
	People's Postcode Trust	4,462	-	(4,462)	-	500	13,000	(3,500)	10,000	-
	Prudential	825	-	(825)	-	-	-	-	-	-
	Rathbones	-	1,000	(1,000)	-	-	-	-	-	-
	Samaritan Grant	1,157	-	(470)	-	687	750	(483)	954	-
	Santander	250	-	(250)	-	-	-	-	-	-
	Screwfix Foundation	5,000	-	(392)	-	4,608	-	-	4,608	-
	Skinner Grant	-	-	-	-	-	280	(280)	-	-
	Souter Charitable Trust	-	-	-	-	-	5,000	(3,021)	1,979	-
	Sports England	-	-	-	-	-	5,000	-	5,000	-
	Tesco Grant	-	-	-	-	-	1,000	(1,000)	-	-
	The Bradbury Foundation	38,837	-	(4,315)	-	34,522	-	(4,315)	30,207	-
	The February Foundation	1,667	-	(1,667)	-	-	3,857	(381)	3,476	-
	The Mackintosh Foundation	1,000	-	(1,000)	-	-	-	-	-	-
	The Morrisons Foundation	1,371	-	(686)	-	685	-	(685)	-	-
	The National Lottery Community Fund	31,177	100,528	(105,559)	-	26,146	104,975	(90,358)	40,763	-
	The Percy Bilton Charity	33	-	(33)	-	-	-	-	-	-
	Wellcome Trust	-	2,990	(2,990)	-	-	-	-	-	-
	Workforce Capacity Fund	-	-	-	-	-	5,600	-	5,600	-
	Worshipful Company of Fan Makers	1,666	-	(1,088)	-	578	-	(578)	-	-
	Misc	29	-	(121)	-	(92)	-	92	-	-
	<b>Total</b>	<b>118,718</b>	<b>343,753</b>	<b>(368,025)</b>	<b>-</b>	<b>94,446</b>	<b>405,438</b>	<b>(330,312)</b>	<b>169,573</b>	<b>-</b>

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 17 Restricted funds

(Continued)

### 18 Analysis of net assets between funds

Fund balances at 31 March 2022 are represented

by:

Tangible assets

Current assets/(liabilities)

	Unrestricted Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
	73,718	-	42,660	116,378	66,053	-	53,467	119,520
	43,796	369,600	126,913	540,309	152,858	309,600	37,215	499,673
	117,514	369,600	169,573	656,687	218,911	309,600	90,682	619,193

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	146,046	73,023

### 20 Events after the reporting date

We have finally seen a reduction in the impact of covid-19 on our services and staffing. However, we are now hit by the impact of the cost of living crisis on staff and members alike. Energy prices are increasing our expenditure exponentially with no assurance from the Government of support for charities going forward. Front line staff are on the lower end of salary scales and are experiencing difficulties as a result. We have implemented the support we can to help staff, but are limited in what we are able to do within our means.

Local authorities are being hit hard by the economic situation too, and negotiating fee increases has been difficult but for the most part we are succeeding. However, we know that social care packages are being cut across the country and we will need to continue to advocate for our services for members going forward. We will also need to increase our fees significantly in the next financial year in line with rising costs.

An external HR audit has been undertaken to review and benchmark all roles and responsibilities within the organisation.

Two new trustees have been appointed to the Board and a new Director of Development appointed to SMT after the previous post holder left the role.

The trustees have requested a review of the charity's auditor relationship and an audit tender process has been completed since the year end. The results of the review will be considered by the Finance and audit risk committee with the decision for the appointment of auditor to be made at the Annual General Meeting.

### 21 Related party transactions

The charity received donations from its trustees and other related parties during the period which totalled £3,390 (2021: £1,640).

### 22 Cash generated from operations

	2022 £	2021 £
Surplus for the year	37,493	1,224
Adjustments for:		
Investment income recognised in statement of financial activities	(32)	(1,328)
Depreciation and impairment of tangible fixed assets	19,509	15,494
Movements in working capital:		
(Increase)/decrease in debtors	(646)	11,347
(Decrease)/increase in creditors	(62,863)	66,229
<b>Cash (absorbed by)/generated from operations</b>	<b>(6,539)</b>	<b>92,966</b>

# HEADWAY EAST LONDON

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2022*

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**23 Analysis of changes in net funds**

The charity had no debt during the year.

