

Charity Registration No. 267965

Company Registration No. 01171757 (England and Wales)

HEADLONG THEATRE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HEADLONG THEATRE LIMITED

CONTENTS

	Page
Report Of The Trustees	1 - 8
Statement of Report of the Trustees responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 28

HEADLONG THEATRE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Munday R Huntrods N Jones P Puwanarajah (resigned from the board 19th November 2020) T Phillips C Donald M Whitlum L Wan J Hurt S Ellis J Bennett L Lambley
Charity number	267965
Company number	01171757
Registered office	17 Risborough Street London United Kingdom SE1 0HG
Auditor	Azets Audit Services 2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN
Bankers	HSBC plc 65 Cornmarket Street Oxford OX1 3HY
Key Management Personnel:	
Chief Executive / Artistic Director	J Herrin (to 31st May 2020)
Chief Executive	A Stacey (from 1st June 2020)
Executive Director	A Stacey

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019)

OBJECTIVES AND ACTIVITIES

Headlong is one of the most ambitious and exciting theatre companies in the world, creating exhilarating contemporary theatre: a provocative mix of innovative new writing, reimagined classics and influential twentieth century plays that illuminate our world. We make bold, groundbreaking productions with some of the UK's finest artists. We take these industry leading, award-winning shows around the country and beyond, in theatres and online, attracting new audiences of all ages and backgrounds. We engage as deeply as we can with these communities and this helps us become better at what we do. Headlong is constantly evolving to inspire audiences with exhilarating ideas and performance.

Over the past few years, including during the COVID-19 pandemic, Headlong's productions have enjoyed incredible success among critics and audiences alike, and over one and a half million people have seen our productions on stage and screen. We have successfully built Headlong's brand with programmers worldwide, renewing partnerships with venues across the UK and establishing strong, new links with partners throughout Europe, Australia and the USA.

During the pandemic Headlong's reduced turnover of £1,093,784 still makes us one of the biggest producers on the subsidised touring theatre circuit; we consistently achieve significant audience attendance for our work, far outstripping the reach achieved by companies of similar scale.

ACHIEVEMENTS AND PERFORMANCE

It has been a year of leadership change for Headlong, with Jeremy Herrin leaving the company in 2020 and Donna Munday succeeding Robin Paxton as Chair. The challenges of the period were exacerbated by the rapid spread of COVID-19 across the globe coinciding with seismic political and cultural change.

The COVID-19 pandemic and the resultant theatre closures depleted resources across the industry, which was compounded by financial problems at organisations less fortunate than Headlong. The Government's Culture Recovery Fund and Coronavirus Job Retention Scheme provided a much needed safety net for the industry, and in many cases both funds have saved companies and venues from collapse. Headlong made the decision not to apply for funding from the CRF scheme due to the strong reserves positions held by the company.

In these challenging circumstances, the Headlong Board promoted the experienced Executive Director, Alan Stacey to CEO and increased the responsibilities of its Associate Artistic Director Holly Race Roughan. The impact of COVID-19 is reflected in each section of the following report, which focuses on Headlong's activities during the pandemic.

The dynamic Headlong team faced a cultural landscape beset by unparalleled challenges in 2020/2021. With theatres closed during March 2020, tentatively reopened in autumn, then locked down again from December 2020 until May 2021, the team suffered the closure of its UK tour of *Faustus: That Damned Woman* by Chris Bush, as well as the postponement of its next tour *Jitney*, by August Wilson.

Yet the company showed its ability to be fleet of foot and 71 days after the first UK lockdown was announced, the first episodes of *Unprecedented* were broadcast on the BBC. Created and performed in the artists' homes, *Unprecedented* showcased the exceptional work of a diverse group of some of the UK's finest writers, directors, and actors, and employed over 100 freelancers when other work was in extremely short supply. To date it has been watched by over 1 million people.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Headlong later curated and led Signal Fires in collaboration with a network of UK touring theatre companies. Designed to provide both a warning signal about the state of British theatre and to celebrate the nation's creative talent, over 40 companies created their own stories by firelight, either as live performances (outdoors and socially distanced), or experienced online. Headlong's own signal fire was due to be a live performance in Liverpool, the first city to be placed in regional lockdown in October 2020. Again, the company was fleet of foot, switching its project online and giving birth to The Ghost Caller, a spooky and meditative audio tale by Liverpool based writer Luke Barnes, delivered by phone (and also by video, which was BSL interpreted).

Despite the challenging circumstances, 2020/2021 also saw the continuation of our artist development scheme Headlong Origins. This scheme aims to celebrate, support and diversify our pool of artists and theatre makers across the UK, outside London. This year has seen the 2019 cohort of emerging directors plan their R&D sessions following a series of online and virtual workshops and masterclasses led by Headlong's artistic team during the pandemic. We also recruited a further 4 directors in October 2020 who will be with Headlong throughout 2021/2022. Origins is now entering its third year and has been an unmitigated success for both the directors and the company.

Partnerships

Working with co-producers, venues and partners continues to be a central focus in our business model. Over the past few years we have actively co-commissioned and partnered with regional theatres to present work, rather than just touring to receiving houses, ensuring that our partners have a significant creative and producing stake in the performances we take there, and being able to tailor our work more specifically to the local audience.

Still live performance in theatres across the country proved impossible for Headlong in 2020/2021 which has been the bedrock of the company's success over many years. Touring has always been at the heart of this artistic achievement and we were due to visit Northern Stage for the first time as part of our tour of Faustus: That Damned Woman, before the final leg of the tour had to be cancelled due to the COVID-19 pandemic.

In 2020/2021 we partnered with the BBC and Century Films for the first time to produce Unprecedented, which was the first major theatre digital innovation to hit British screens in lockdown. For Signal Fires we collaborated with over 40 UK based touring companies, many of whom Headlong had never worked with before. We also partnered with iconic arts venue St Luke's Bombed Out Church in Liverpool for our own Signal Fires production before the city was placed in Tier 3 and the production had to be cancelled. We continue to build relationships with these companies and look forward to working with them in the future.

The pandemic saw the postponement of two of Headlong's most eagerly anticipated commissioned plays at the National Theatre and the Young Vic – Jack Thorne's adaptation of the Kore-eda film After Life and James Graham's new play Best of Enemies, inspired by the documentary of the same name. Both the National Theatre and the Young Vic are two of Headlong's important and effective London based partnerships and we look forward to working with them more closely again in 2021/2022 when these shows are finally produced.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Partnerships (continued)

We have a range of important and effective partnerships in both the subsidised and commercial theatre sectors. In the subsidised sector perhaps our most important relationships are with regional theatres in England. Leeds Playhouse, Bristol Old Vic, Birmingham Rep, Chichester Festival Theatre and Manchester HOME in particular stand out as past and current collaborators whose financial backing and appreciation of artistic risk have made shows possible for Headlong. We have used these solid relationships to develop both Headlong Futures, our ambitious outreach programme that sought to build bridges between individuals from different backgrounds and communities and the arts, and Headlong Origins, an artist development programme that targets and nurtures talented theatre makers from outside of London.

Our relationships in the commercial sector are equally strong and have been crucial in raising brand awareness. *1984*, *The Nether*, *People, Places and Things*, *This House* and *Labour of Love* were presented in the West End in partnership with some of the most influential companies in the industry, including Sonia Friedman Productions, National Theatre productions, Nica Burns Productions, Neal Street Productions and Michael Grandage Company. Four of the five shows have made a profit that we have then been able to re-invest into our work.

Supporting artists

Headlong is one of the major commissioners of new work in the country. Each commissioned writer is given specialist support by our Associate Artistic Director and our Creative Associates. Headlong has a commitment to identifying talent, and then helping those talented writers get to the next level in their career. Jack Thorne, for instance, is already one of the UK's leading writers, so this relationship is centred on giving him the support he needs to take the biggest risks he can; in this case, our recent production of *After Life* at the National Theatre.

The relationship with some of our earlier career writers centre on exploring who they are as writers and supporting them in telling the stories they want to tell, and over the past two years Headlong has built on its commitment to gender equality in its 4 commissions a year, with a commitment that one of those four commissioned writers will be of Global Majority. This has resulted in commissions for Jasmine Lee Jones, Nathaniel Martello-White, Inua Ellams, Winsome Pinnock and more.

The Headlong office Writer's Room, which we hope will be functional again after the COVID-19 vaccination programme, is a physical space for our commissioned playwrights to work on their plays. This room is not only for our writers to have a dedicated space where they can work, but also to facilitate closer ties between writers and Headlong staff. We will offer space in the Writer's Room to at least 3 playwrights a year.

The first two years of our Headlong Origins scheme has been a resounding success; throughout the pandemic we have hosted online workshops, mentoring sessions and meetings for the six emerging directors who began their attachment with Headlong in late 2019. 2020/2021 also saw us recruit a further 4 directors who began their yearlong residency with headlong in December 2020. This new group have also participated in workshops and masterclasses, curated by Headlong's Creative Associates and producers. In 2021/2022 all 10 directors will have the opportunity to hold Research & Development weeks to develop their ideas and project proposals.

Going forward this programme will continue to encourage collaboration between artists, which will feed into our future commissioning and programming.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Equality, Diversity & Inclusion

Our current business plan 2018-2022 fully embeds diversity and equality within all strands of the company. Over the past five years or so, Headlong has committed to making sure inclusivity is at the forefront of all its activity and we strive to ensure we reflect the diversity of contemporary England through actor representation, commissioning, creative teams, participants, audiences and our staff and board recruitment. Most recently, this has culminated in the development of six 'Justice Plans' for Race, Disability, Class, LGBTQI+, Gender and Sustainability. Our 'Justice Plan – Race' was published in September 2020 and we expect 'Disability' and 'Sustainability' to be published in 2021/2022.

In order to develop these plans, Headlong has a weekly Justice Group meeting to which all staff members are invited. Furthermore, Headlong's Board is integrated into the process with attendees of the Justice Group contributing to Board meetings and trustees attending Justice Group meetings on a monthly basis. This work is intended to make sure equality, diversity and inclusion is central to artistic planning, producing and all the other facets of the company.

We continue to progress towards gender balance and full representation across our artistic output and amongst our staff and board. Our board is now 72% female, 28% male, with 18% Global Majority. This latter figure will increase to 25% in 2021/22 when Justin Audibert, a Global Majority director, becomes a Trustee. The full board as well as the Finance & General Purposes (F&GP) and Nominations committees are chaired by women, and the Nominations committee continues to work on our Board diversification strategy. At the end of 2020/2021 our staff was 67% female and 33% Global Majority.

We remain a member of Tonic's Advanced Network, and throughout this last year our staff have continued to attend the regular (and currently online) training sessions and networking opportunities this platform provides, discussing equality, diversity and inclusion with our peers from around the country. We engaged further with Tonic regarding inclusive recruitment practices, ensuring our processes are non-discriminatory and encourage a wide range of applicants. This has been particularly effective during recruitment for a new Artistic Director.

Headlong remains committed to gender parity in our commissions, with a 50/50 split between men and women. Of the 115 freelancers we engaged with in 2020/2021, 60% identified as female including directors, actors, stage managers, designers and writers. We have also worked with 9 individuals who identified as disabled.

We have continued to successfully operate robust data gathering with Equal Opportunities Forms, through which we can monitor the diversity amongst our staff and board members, and within our contracted casts, commissioned playwrights and creative teams.

Digital reach

Headlong's partnership with the BBC on Unprecedented was the first major theatre digital innovation to hit British screens in lockdown. Written by celebrated playwrights, curated by Headlong and Century Films and performed by a cast of over fifty UK actors, Unprecedented is a series of short digital plays exploring our rapidly evolving world. Writers included April De Angelis, Charlene James, John Donnelly, Matilda Ibini, James Graham and Prasanna Puwanarajah. Directors included Holly Race Roughan, Ned Bennett, Ola Ince, Tinuke Craig and Nathaniel Martello-White. Actors included Lennie James, Gemma Arterton, Arthur Darvill, Erin Doherty, Rory Kinnear, Alex Lawther, Olivia Williams and Meera Syal. It was Headlong's most high profile and critically successful digital project to date, and has been watched by over 1 million people.

In October 2020 we produced The Ghost Caller; this was Headlong's first foray into theatrical audio content, co-produced with the dynamic interactive theatrical game company Coney and narrated by Liverpool-born David Morrissey and Leanne Best. Audiences were asked to dial a number to listen to the piece, it attracted thousands of phone calls and an outpouring of gratitude and evocative messages on social media. Social analytics and reporting saw our digital audiences rise hugely on the back of The Ghost Caller, with the under 25 demographic rising from 5%, to up to 20% across all platforms.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Digital reach (continued)

The Ghost Caller and *Unprecedented* cemented Headlong's reputation as a digital pioneer, a reputation built on the back of 14 films for the Guardian exploring our exit from the European Union in 2017 and 2019.

The past year has demonstrated our capacity not only for digital exploration but our capacity to explore the shifting social and cultural sands of Britain. In terms of digital art, we are at the forefront of developments in the form, with millions of people across the country engaging and delighting in the work.

We have been successful in the further growth of followers and subscribers across our digital platforms with over 16,000 subscribed to our newsletter email database and over 56,000 following Headlong across Twitter, Facebook, Instagram, Vimeo and via our website.

We have continued to support 100% of our productions with digital resources, producing trailers for each show and filming other content such as interviews, audience vox pops and behind the scenes footage, which is shared on social media and with our partners to engage audiences with our work.

FINANCIAL REVIEW

Financial Sustainability

2020/2021 started 8 days into the first COVID19-related national lockdown. We had to cancel 24 performances of our touring show, *Faustus: That Damned Woman*. We also cancelled one show in autumn of 2020/2021 and postponed 3 other shows. However, we created a new digital show in the place of our autumn show (*The Ghost Caller*), and all 3 postponed shows have now been rescheduled and are going ahead with *After Life* already finished with its run at the National Theatre as at July 2021.

Headlong continuously adapted to pandemic conditions by keeping our postponed shows alive, as well as creating 2 new high-quality productions with a very quick turnaround; *Unprecedented* and *The Ghost Caller*. They were two digital projects; the former a compilation of TV-plays focused on the varied impacts of the pandemic aired on the BBC, the latter a project about grief and loss, created in the wake of the cancellation of our show *After Dark*, in Liverpool the week of its planned opening. Despite the difficulties of the past year, 2020/2021 saw us continue to deliver high-profile work, upholding our name for excellence and dynamism, while maintaining our relationships with individual donors and trusts and foundations during a very difficult time.

Before the pandemic had begun, we had budgeted an increased target of £285,000 up 14% on the previous year. We were on track to meet this target, however the impact of COVID-19 meant that our forecast was subsequently decreased to £190,000, when it became clear that the road ahead was an unprecedented one. At the end of 2020/2021 we had raised a total of £189,176, which represented 66% of the original target of the original target of £285,000, or 99% of the decreased target of £190,000.

Of that fundraised figure, we received £167,500 from Trusts and Foundations, a 72% increase on the previous year, 30% of which was in support of Headlong Origins.

In light of the current situation, we will continue engaging with individual donors on virtual platforms and in person if it is safe to do so. We will cultivate new relationships through individual meetings and fundraising events to continue to expand and engage our network of prospective donors with our work.

As well as focusing on fundraising, we have also taken the past year to focus on Equality, Diversity & Inclusion (EDI), which we believe is crucial to our financial and artistic future. In order to better prioritise and monitor our budget for EDI, we have included a section in our accounts to show the amount we are spending on it.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial Sustainability (continued)

In this section is reflected the amount of overheads that we have allocated to EDI; this includes the cost of staff time, as well as costs such as more inclusive marketing and recruitment practices, training for the staff & board, and expenditure on office access. Also reflected in this EDI budget section, is the 8% of each production budget that we reserve for EDI-related costs.

Regarding overall financial monitoring, our Finance Manager continues to oversee and refine the systems she implemented when she started at Headlong, which provide checks and balances and an appropriate audit trail, while maintaining a high level of accuracy and efficiency. All bank transactions require a two-person authorisation system, and all budgets are supervised by individual internal budget-holders and invoices are signed off by a second authoriser before being paid. All Board-level financial papers are first checked by and discussed with the Financial & General Purposes Committee, before they are then reported to the Board on a quarterly basis.

Reserves Policy

The company aims to manage the funds and grants that it receives to ensure that, at any time, sufficient reserves are available to ensure that committed projects are completed, and committed administrative costs are covered. The Board has considered and discussed the impact of COVID-19 on the company's reserves policy. As our reserves are in a healthy position, the company feels it is in a position to help support some of our colleagues and partners during this difficult time. With this in mind, the trustees consider that for an artistically-led company of this scale it is appropriate to carry reserves structured as follows:

- A depreciation and maintenance fund of no less than £30,000.
- A contingency fund of 5 months operating costs, which the board deems to be appropriate for a company of Headlong's scale and turnover.
- To mitigate the impact of COVID-19 on the cash flow of regional venues and on freelancers, we have reallocated the balance of our 'Creative Fund' and our 'Artist Development & Support Fund', to a designated Touring & Freelancer Support Fund, at £205,707 (as at year end 2020/2021).

Risk Management

The trustees have carried out a review of the company's activities and produced a risk register setting out the risks to which it is exposed. The company's risk management strategy comprises:

- An annual review of the risks which the company may face
- The establishment of systems and procedures to mitigate those risks identified in the register

The report below features the risks that the trustees deemed to be the most significant to the company throughout the course of 2020/2021, updated to reflect the impact of the COVID-19 pandemic.

Among the main risks identified at present are the following:

1. Force majeure (external risk). This risk was introduced in light of the pandemic and the impact it is having on the performing arts industry. The risk score is high; it will likely remain at this level and will be dependent on the UK's overall recovery. Headlong will continue to monitor the situation and adapt accordingly.
2. A significant drop in theatre revenue. This risk is controlled and mitigated by increasing our number of co-productions, partnering with venues capable of paying high guarantees and investing commercial income in regional artists and productions.
3. Sudden incapacity or loss of key artistic and/or executive personnel. This risk is mitigated by having a rigorous succession plan that is regularly monitored by the Board Members.
4. The reduction or axing of government arts funding. This risk is controlled and mitigated by diversifying income streams, planning for cuts, and retaining a lean infrastructure.
5. Co-production market changes adversely to Headlong. This risk is mitigated by the continuing development of relationships with co-producers and further diversifying income streams.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Fundraising

Despite continued uncertainty due to the absence of an Artistic Director and the ongoing unpredictability and challenges presented by COVID-19, Headlong's fundraising activities remained stable for the financial year ending 31st March 2021. Headlong fundraised a total of £189,176 towards our target of £190,000, which represents 99% of target. We had to return a donation of £30,000 to a donor who supported a project back in 2018 that has not been delivered to Headlong. Therefore, we are ending the 2020/2021 financial year at a lower figure than originally forecast with an adjusted total of £159,176 or 84% of target.

We continued our ongoing relationships with Backstage Trust, The Pureland Foundation and The John Ellerman Foundation who provided crucial multi-year support for Headlong Origins, *After Life* and our new commissions respectively. Cockayne – Grants for the Arts and the London Community Foundation agreed to allow their previous grant of £25,000 (from 2015) to be re-allocated from James Graham's play *Maastricht* to *Best of Enemies*. We had a very successful renewal campaign with the majority of donors renewing their support this year raising £19,345 from individual donors. However, a few regular donors have decided to reduce their gift amounts or direct their funding elsewhere (to charities that are directly addressing the pandemic) this year. These donors have stated that they intend to return to Headlong next year.

Headlong's Fundraising Team consists of a full time Development Manager and a part-time Fundraising Consultant. All fundraising activities continue to be overseen by our Executive Director who has extensive experience in fundraising and development. Headlong continues to employ a highly targeted approach to soliciting donations; we only approach individuals who have explicitly expressed an interest in supporting the company or those who have been introduced to the company by board members or friends of the company for that purpose. Nicky Jones, one of Headlong's board members who is an independent Fundraising Consultant and former Campaign Director for Mountview Academy of Theatre Arts and former Head of Major Giving and Trusts at the RSC, helps to ensure that Headlong follows the best fundraising practices.

Headlong Theatre Ltd is in full compliance with the rules and guidelines as prescribed by The Charities Act 2016 and Charities SORP and abides by the Code of Fundraising Practice as set out by the Fundraising Regulator. We have received no complaints regarding said fundraising activities.

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE & MANAGEMENT

Headlong Theatre Limited is a company incorporated under the Companies Act, company number 1171757 and its governing document is its Memorandum and Articles of Association. The company is a registered charity, number 267965.

The company is based in London, and is funded by Arts Council England. It has a permanent staff of eight, and is led by a volunteer Board of Directors.

Directors of the company are recruited via an open process led by the board's Nomination Committee. Individuals are then formally appointed after being proposed by another member of the board by majority vote at a board meeting. On appointment trustees are provided with a board induction pack, which outlines the function of the board, the company's financial position and future programme. Trustees are also supplied with a copy of the company's Memorandum and Articles of Association. Trustees are offered training appropriate to their roles on the board.

Trustees devolve day-to-day responsibility for the running of the charity to the key management personnel.

The key management personnel comprise of the Chief Executive of the charity who ordinarily is also the Artistic Director, and the Executive Director. In 2020/21 Alan Stacey was named Chief Executive when Artistic Director Jeremy Herrin left the company, as set out on page 1.

Headlong is committed to employing staff who are amongst the best and most ambitious employees in the sector. As such, we set our rates of pay competitively with other subsidised theatre buildings and touring companies. The remuneration of each of our key management personnel is agreed by the Finance and General Purpose Committee of the board and is determined by the seniority, experience and skills of the staff member.

HEADLONG THEATRE LIMITED

STATEMENT OF REPORT OF THE TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Headlong Theatre Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP FRS 102;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 14 December 2021 and signed on its behalf by:



.....
D Munday - Trustee

HEADLONG THEATRE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE OF HEADLONG THEATRE LIMITED

Opinion

We have audited the financial statements of Headlong Theatre Limited (the "Charitable Company") for the year ended 31 March 2021 which comprise and the 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 FRS 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 2021 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 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 Report of 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 '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 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 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.

Matters on which we are required to report by exception

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

HEADLONG THEATRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE OF HEADLONG THEATRE LIMITED

Responsibilities of the Trustees

As explained more fully in the statement of Report of the Trustees responsibilities, the , who are also the directors of the 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 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 are responsible for assessing the '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 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

HEADLONG THEATRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE OF HEADLONG THEATRE LIMITED

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 auditors' 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.

Azets Audit Services

John Howard (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

.....

Statutory Auditor

21 December 2021

2nd Floor
Regis House
45 King William Street
London
United Kingdom
EC4R 9AN

Azets Audit Services is eligible for appointment as auditor of the by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

HEADLONG THEATRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	3	771,261	175,068	946,329	758,956	107,500	866,456
Charitable activities	4	145,100	-	145,100	519,193	-	519,193
Investments	5	2,355	-	2,355	3,287	-	3,287
Total income		918,716	175,068	1,093,784	1,281,436	107,500	1,388,936
Expenditure on:							
Charitable activities	6	807,869	202,012	1,009,881	1,381,438	55,532	1,436,970
Net incoming/ (outgoing) resources before transfers		110,847	(26,944)	83,903	(100,002)	51,968	(48,034)
Gross transfers between funds		39,722	(39,722)	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		150,569	(66,666)	83,903	(100,002)	51,968	(48,034)
Fund balances at 1 April 2020		423,187	186,802	609,989	523,189	134,834	658,023
Fund balances at 31 March 2021		573,756	120,136	693,892	423,187	186,802	609,989

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.

HEADLONG THEATRE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		2,406		4,102
Investments	11		1		1
			<u>2,407</u>		<u>4,103</u>
Current assets					
Debtors	12	171,705		483,091	
Cash at bank and in hand		712,009		400,266	
		<u>883,714</u>		<u>883,357</u>	
Creditors: amounts falling due within one year	13	(192,229)		(277,471)	
Net current assets			691,485		605,886
Total assets less current liabilities			<u>693,892</u>		<u>609,989</u>
Income funds					
Restricted funds	14	120,136		186,802	
Unrestricted funds		573,756		423,187	
		<u>693,892</u>		<u>609,989</u>	

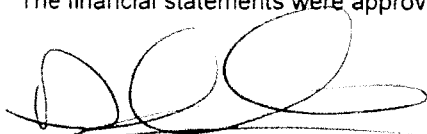
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 board of trustees on 14 December 2021



D Munday - Trustee

Company Registration No. 01171757

HEADLONG THEATRE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		310,379		(169,124)
Investing activities					
Purchase of tangible fixed assets		(993)		(550)	
Investment income received		2,355		3,286	
Net cash generated from investing activities			1,362		2,736
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			311,741		(166,388)
Cash and cash equivalents at beginning of year			400,266		566,654
Cash and cash equivalents at end of year			712,009		400,266

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Headlong Theatre Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 Risborough Street, London, SE1 0HG, United Kingdom.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; the Companies Act 2006; and the requirements of the Statement of Recognised Practice, Accounting and Reporting by Charities (effective 1 January 2015). The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the . 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 have a reasonable expectation that the has adequate resources to continue in operational existence for the foreseeable future. Thus the 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 in furtherance of their charitable objectives.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the .

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the 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.

Donations and legacies including core grants, sponsorship and gifts are included in full in the Statement of Financial Activities when receivable. 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.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Cost of raising funds are those costs incurred in attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the staging of its projects and performances. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation and apportionment of costs governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, administrative office function costs, depreciation, HR and recruitment, and premises costs. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examination fees, fees.

Support and Governance costs have been 100% allocated to the charitable activity.

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:

Plant and equipment	Over 4 years
Fixtures and fittings	Over 4 years

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 net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the 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).

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 Financial instruments

The 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 's balance sheet when the 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 's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.12 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 is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Legal Status

The charitable company is a company limited by guarantee. The Memorandum of Association restricts the liability of members on winding up to £1 unless their liability becomes unlimited through contravention of the Memorandum. In the case of winding up none of the accumulated funds are distributed to the members but shall be given or transferred to some other charitable institution having similar objectives.

1.14 Public Benefit

The charitable company meets the definition of a public benefit entity under FRS 102.

1.15 Fund accounting

Restricted funds - these are funds that can only be used for specific restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

2 Critical accounting estimates and judgements

In the application of the charities accounting policies, the 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.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Trust funding and donations	78,959	92,500	171,459	79,162	-	79,162
Grants - Art Council England	692,302	-	692,302	679,794	-	679,794
BBC Funding	-	82,568	82,568	-	107,500	107,500
	<u>771,261</u>	<u>175,068</u>	<u>946,329</u>	<u>758,956</u>	<u>107,500</u>	<u>866,456</u>

4 Charitable activities

	Operation of touring theatre 2021 £	Operation of touring theatre 2020 £
Performance and workshop fees	75,488	416,361
Royalty Income	-	11,632
Theatre Tax Relief	69,612	91,200
	<u>145,100</u>	<u>519,193</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>2,355</u>	<u>3,287</u>

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Operation of Touring Theatre 2021 £	Operation of Touring Theatre 2020 £
Operation of Touring Theatre	518,216	981,204
Share of support costs (see note 7)	466,126	446,096
Share of governance costs (see note 7)	25,539	9,670
	<u>1,009,881</u>	<u>1,436,970</u>
Analysis by fund		
Unrestricted funds	807,869	1,381,438
Restricted funds	202,012	55,532
	<u>1,009,881</u>	<u>1,436,970</u>

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent, per capita or floor area.

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	454,078	-	454,078	424,002	-	424,002
Depreciation	2,689	-	2,689	5,273	-	5,273
Bad Debts	-	-	-	236	-	236
Computer Expenses	9,209	-	9,209	8,682	-	8,682
Finance Costs	150	-	150	7,903	-	7,903
Audit fees	-	12,287	12,287	-	8,202	8,202
Legal and professional	-	12,753	12,753	-	543	543
Board Expenses	-	499	499	-	925	925
	<u>466,126</u>	<u>25,539</u>	<u>491,665</u>	<u>446,096</u>	<u>9,670</u>	<u>455,766</u>
Analysed between						
Charitable activities	466,126	25,539	491,665	446,096	9,670	455,766

Governance costs includes payments to the auditors of £5,700 (2020 £5,520) for audit fees.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Trustees Remuneration

None of the Trustees received any remuneration or benefits during the year

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	12	11
	<u> </u>	<u> </u>
Employment costs	2021	2020
	£	£
Wages and salaries	454,078	424,002
	<u> </u>	<u> </u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
	2	2

The key management of the charity comprise of the trustee, the Chief Executive/Artistic Director and the Executive Director. The total employee benefits of the key management personnel of the charity were £ 97,294 (2020 £147,200)

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	55,576	12,215	67,791
Additions	993	-	993
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	56,569	12,215	68,784
	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment			
At 1 April 2020	52,512	11,177	63,689
Depreciation charged in the year	2,143	546	2,689
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	54,655	11,723	66,378
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 March 2021	1,914	492	2,406
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	3,064	1,038	4,102
	<u> </u>	<u> </u>	<u> </u>

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

	Shares in Group Undertakings £
Cost or valuation	
At 1 April 2020 & 31 March 2021	1
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

There were no investment assets outside the UK. This entity is current dormant
The investment is for 100% of the share capital of Headlong Commercial Limited
(registered company number 09276083), a private company limited by share

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	17,137	221,347
Other debtors	51,360	57,334
Prepayments and accrued income	103,208	204,410
	171,705	483,091

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	3,125	17,746
Trade creditors	145,550	72,497
Amounts owed to fellow group undertakings	-	76,710
Other creditors	4,817	34,421
Accruals and deferred income	38,737	76,097
	<u>192,229</u>	<u>277,471</u>

Deferred Income represents production income deferred when the production income deferred when the production is scheduled to occur in the following financial year:

	£	2020 £
Balance b/fwd	-	23,725
Income Released in the year	-	(23,725)
Income Deferred In year	14,075	-
	<u>14,075</u>	<u>-</u>
Balance c/fwd at 31 March 2021	<u>14,075</u>	<u>-</u>

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 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 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £			
Headlong Futures	63,167	-	(17,992)		45,175	-	-		(35,223)	9,952
Headlong Origins	45,000	65,000	(37,540)		72,460	50,000	(40,258)		-	82,202
James Graham (Maastricht)	26,667	-	-		26,667	-	(26,667)		-	-
New Commissions	-	20,000	-		20,000	20,000	(7,519)		(4,499)	27,982
After Life	-	22,500	-		22,500	22,500	(45,000)		-	-
Unprecedented	-	-	-		-	82,568	(82,568)		-	-
	134,834	107,500	(55,532)		186,802	175,068	(202,012)		(39,722)	120,136

Headlong Futures had no donations this year. In the previous year fund is made up of donations from the Esme Fairbairn & Buffini Chao Foundations. The Headlong Origins Fund is due to the Backstage Trust and the Garrick Trust, with a net movement of £9,742 in this financial year. The new Commissions fund is due to The John Ellerman Foundation who donated £20,000, and the After Life fund was donated £22,500 from Pureland Foundation

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Designated and Unrestricted

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
General Fund	62,560	1,281,436	(1,381,438)	37,442	-	-	-	-	-
Depreciation and Maintenance Fund	39,793	-	-	17,000	56,793	-	-	-	56,793
Contingency Fund	246,178	-	-	15,068	261,246	-	-	-	261,246
Creative fund	174,658	-	-	(139,510)	35,148	918,716	(787,869)	(165,995)	-
Artist Development and Support	-	-	-	70,000	70,000	-	(20,000)	-	50,000
Touring & Freelancer Support	-	-	-	-	-	-	-	205,717	205,717
	523,189	1,281,436	(1,381,438)	-	423,187	918,716	807,869	39,722	573,756

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Designated and Unrestricted

(Continued)

1) Depreciation and Maintenance Fund. The balance of this fund is intended to be no less than £30,000, and which is designated and set at a level sufficient to finance the future depreciation costs, as forecast, of currently held theatre and office equipment and to cover maintenance of a cyclical nature to the company's premises and equipment, repair costs which exceed ongoing budgetary allocations for this purpose, and improvements to the company's facilities. The Directors believe that a fund totalling £30,000 will be adequate for this purpose and intend to replenish it as funds are drawn down.

2) Contingency Fund. The balance of this fund is intended to be no less than £246,000. The purpose of this fund is to:

- increase the Company's cashflow and enable it to be a prompt payer
- free the Company from reliance on bank overdraft or other debt financing for its working capital
- enable the Company to survive the insolvency of one or more of its principal debtors
- protect the Company from the effects of significant, unforeseeable one-off shortfalls in anticipated income
- cushion the financial consequences of unforeseeable major incidents or adverse conditions affecting the Company, its touring or its premises
- allow the Company to assume greater commercial risk in undertaking more diverse, challenging and innovative work.

3) Creative Fund. The balance of this fund is intended to be no more than £200,000. This fund was first separately designated during 2007/8 for the purposes of:

- periodically mounting exceptionally costly and ambitious work
- exceeding the Company's normal levels of output
- financing the extension of tours to venues which would otherwise be uneconomic
- touring overseas
- seizing creative opportunities outside the Company's core programme of work
- investing in transfers, residencies etc, where these might not otherwise take place
- investing in longer-term artistic projects where income is deferred or otherwise uncertain
- pursuing special projects designed to widen access to its work

The level of the fund is expected to fluctuate as calls are made upon it from time to time and as opportunities to replenish it arise; however, the Directors intend that, other than in the short term, it should not fall below £30,000 or exceed £200,000, a level which they consider appropriate for the scale and ambition of the Company.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	2,406	-	2,406	4,102	-	4,102
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	691,485	-	691,485	419,301	186,585	605,886
	<u>693,892</u>	<u>-</u>	<u>693,892</u>	<u>423,404</u>	<u>186,585</u>	<u>609,989</u>

17 Operating lease commitments

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

	2021 £	2020 £
Within one year	48,789	22,789
Between two and five years	71,612	143,402
	<u>120,401</u>	<u>166,191</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

19 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	83,903	(48,034)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,355)	(3,287)
Amortisation and impairment of intangible assets	2,689	5,273
Movements in working capital:		
Decrease/(increase) in debtors	311,384	(73,281)
(Decrease) in creditors	(85,242)	(49,795)
Cash generated from/(absorbed by) operations	<u>310,379</u>	<u>(169,124)</u>