

Charity registration number 267965

Company registration number 01171757 (England and Wales)

HEADLONG THEATRE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HEADLONG THEATRE LIMITED

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HEADLONG THEATRE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Audibert (Appointed 30th November 2021) J Bennett (Deceased 11th January 2022) C Donald S Ellis J Head (Appointed 21st April 2022) R Huntrods J Hurt N Jones L Lambley D Munday T Phillips L Wan M Whitlum
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Charity number	267965
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Company number	01171757
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Registered office	3rd Floor 207 Waterloo Road London England SE1 8XD
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Auditor	Azets Audit Services 2nd Floor Regis House 45 King William Street London EC4R 9AN
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Bankers	HSBC plc 65 Cornmarket Street Oxford OX1 3HY
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Key Management Personnel:

Artistic Director/Chief Executive	H Race Roughan (from 23rd August 2021)
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Executive Director/Chief Executive	L Maguire (from 19th April 2022)
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HEADLONG THEATRE LIMITED

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

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 2022. 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 2015).

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 performances.

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 links with partners throughout Europe, Australia and the USA.

Despite the impact of the pandemic on turnover, Headlong's status as one of the biggest and most successful producers on the subsidised touring theatre circuit continues, consistently achieving significant audience attendance and critical acclaim for our work.

ACHIEVEMENTS AND PERFORMANCE

It has been a year of leadership change for Headlong; August 2021 saw the appointment of Headlong's former Associate Artistic Director, Holly Race Roughan, as the first female Artistic Director of the company. This was followed in the autumn with the announcement that Alan Stacey would be stepping down as Executive Director in spring 2022, after 6 years at Headlong. Following this news, the Board of Trustees led a rigorous recruitment process resulting in the appointment of Lisa Maguire as Headlong's new Executive Director. Lisa will officially start in April 2022, at which point she and Holly will be named joint Chief Executives.

The COVID-19 pandemic continued to impact Headlong and the industry at large, with theatres unable to open until spring 2021 with reduced capacity due to social distancing rules. The Government's Culture Recovery Fund and Coronavirus Job Retention Scheme still provided a much needed safety net for the industry. Headlong made the decision not to apply for funding from the extended CRF scheme due to the strong reserves position held by the company.

The impact of COVID-19 is reflected in each section of the following report, which focuses on Headlong's activities during the pandemic and beyond as the country began to make a recovery.

Despite the challenging circumstances and ongoing impact of COVID-19, 2021/2022 saw Headlong's dynamic team produce an exciting line up of shows that had been postponed due to the pandemic. The company had the honour of re-opening the Dorfman Theatre at the National Theatre with an adaptation of Hirokazu Kore-eda's Japanese classic *After Life*. This timely meditation on the moments we hold most dear was produced in remarkable circumstances, with fully socially distanced rehearsals, performances and audiences. 2021/2022 also saw the rebirth of Headlong's postponed production of August Wilson's *Jitney* at Leeds Playhouse, followed by the company's production of *Best of Enemies* at the Young Vic at the end of 2021. This new play by James Graham explored the origin of political polarisation.

Although Headlong produced work in far fewer regional theatres in 2021/2022 than in a normal year, the period did see the company produce two major commissions of new writing in the most challenging of circumstances. In addition to this, both *Jitney* and *Best of Enemies* will have a future life in 2022/2023.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

2021/2022 also saw the successful continuation of Headlong Origins, our artist development scheme. 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 first cohort of emerging directors complete their delayed R&D sessions, whilst the second cohort have attended workshops and masterclasses led by Headlong's artistic team and guest artists. Origins is now entering the fourth year and has been an unmitigated success for both the artists 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 audiences.

In 2021/2022 we partnered with the National Theatre, Leeds Playhouse and the Young Vic to bring Headlong productions to audiences. *After Life* (Dorfman Theatre), *Jitney* (Leeds Playhouse) and *Best of Enemies* (Young Vic) were all postponed due to the pandemic, and to finally be able to bring these shows to the stage was a great achievement. We continue to build relationships with these venues and look forward to working with them in the future.

We have a range of important and effective partnerships in both the subsidised and commercial theatre sectors. In the subsidised sector our most important relationships are with regional theatres in England. Leeds Playhouse, Liverpool Everyman and Playhouse, Bristol Old Vic and Chichester Festival Theatre 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 seeks to build engagement 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. Previous shows from the last few years such as *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.

Following these commercial successes, we look forward to opening our Young Vic co-production of *Best of Enemies* in the West End in autumn 2022, working in partnership for the first time with Second Half Productions, Eleanor Lloyd Productions and Wessex Grove to bring this critically acclaimed play to wider audiences.

Supporting Artists

Headlong continues to be one of the major commissioners of new work in the country. Each commissioned writer is given specialist support by our 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.

The relationships 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 four commissions a year, with a commitment that one of those four commissioned writers will be of Global Majority. This has resulted in commissions for Joel Tan, Amanda Wilkin, Nathaniel Martello-White, Winsome Pinnock and more.

2021/2022 saw the first year of Headlong's new Writer in Residence scheme; this new role embeds a freelance artist into the organisation for a year with a particular focus on working alongside our Justice Group. The role in 2021/2022 was filled by Amanda Wilkin, and came with a full commission to write a major new play about the climate crisis. 2022/2023 has already seen us appoint a second Writer in Residence, Charlie Josephine, to continue this strategy of bringing an artist into the heart of our Justice work as we become a leading commissioner of bold new work on the subject.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

Alongside this Headlong continues to offer our commissioned playwrights the use of the company's Writer's Room, a physical space where they can 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.

The first two years of our Headlong Origins scheme have been a resounding success; made possible by generous support from Backstage Trust, throughout the pandemic we hosted online workshops, mentoring sessions and meetings for the emerging directors, with these sessions being run in-person again during 2021/2022. The new group of artists have also participated in workshops and masterclasses, curated by Headlong's Creative Associates and producers. In 2021/2022 all 6 directors from the first intake group had the opportunity to hold Research & Development weeks to develop their ideas and project proposals, which were delayed from the previous year due to the pandemic.

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

Justice: Equality, Diversity & Inclusion

Our current business plan 2018-2023 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, Socio-economic, LGBTQIAA+, Women and Climate. Our 'Justice Plan – Race' and 'Justice Plan – Disability' have been published, and we expect all the remaining plans to be published in 2022/2023.

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 regular 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 75% female, 25% male, with 25% Global Majority. 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 2021/2022 our staff was 73% female, 27% Global Majority, and 18% identifying as disabled.

We remain a member of Tonic's Advanced Network, and throughout this last year our staff have continued to attend the regular 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 was particularly effective during recruitment for a new Artistic Director and Executive Director.

Headlong remains committed to gender parity in our commissions, with a 50/50 split between men and women. Of the freelancers we engaged with in 2021/2022, 55% identified as female including directors, actors, stage managers, designers and writers. We have also worked with 12 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.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

Digital reach

In 2020/2021 *Unprecedented* and *The Ghost Caller* 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.

In 2021/2022 we further developed our digital work and partnerships; on *After Life* at the National Theatre, we worked with Coney again to create a game that asked audiences the question at the heart of Kore-eda's film and Jack Thorne's adaptation – 'What is the moment in which you could endure eternity?' And for *Best of Enemies* at the Young Vic we worked with their team on 'Best Seat in Your House' an innovative new way to stream live theatre using immersive, multi-camera broadcast designed to give audiences optimal choice as they watch a live show.

In autumn 2021 we collaborated with TikTok and Theatre Centre to create *TikTok Shocks*, a cutting edge digital artist-development scheme for regionally based 18-25 year olds. As well as supporting a new generation of theatre makers, this project also broke ground on pushing the boundaries of digital theatre. *TikTok Shocks* acted as a pilot programme for Headlong to explore the possibility of a nationwide Digital Young Company, skilling up the next generation of artists in multi-media theatre making.

The past year has demonstrated our capacity not only for digital exploration but 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 growth of followers and subscribers across our digital platforms with over 15,000 subscribed to our newsletter email database and over 58,000 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.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Financial sustainability

2021/2022 saw Headlong bring forward a healthy reserve figure of £693,892, comprising restricted and unrestricted funds. Despite the global difficulties of the previous year, Headlong began 2021/2022 with its first move towards pre-pandemic activity levels, with a successful co-production with the National Theatre. We ended the financial year with a small deficit, and carried forward reserves of £693,396, £142,548 of which were restricted, and the balance were unrestricted funds, which have been designated as follows: Depreciation, Maintenance & Contingency funds of £302,372, and a Touring & Freelancer Support fund of £248,476. The latter fund has planned investment allocated to it for the next 3 years, resulting in its wind down by 31st March 2026, leaving the company with an unrestricted funds balance which meets our reserves policy for designated Depreciation, Maintenance & Contingency funds. The fluctuating nature of touring, and the impact of the pandemic on regional venues contributed to a budgeted show not going ahead as planned, however the company committed to paying the freelancers who had been earmarked for the project, as approved by our Board, and in line with our goal to support the freelance community where possible.

In light of the continued challenges and uncertainty of producing and touring work in the aftermath of the pandemic, and with the organisation appointing a new Artistic Director and Executive Director, we started the year with a budgeted fundraising target of £190,000 for the 2021/2022 financial year, which was then adjusted to £180,000. We raised a total of £169,774 in the 2021/2022 financial year, achieving 94% of target.

Of that fundraised figure, we received £100,000 from Trusts and Foundations, £58,110 from Individual Donors and a projected £11,664 in Gift Aid. This year we welcomed back supporters in person to our shows and fundraising events. We also continued to cultivate new relationships through individual meetings, continuing to expand and engage our network of prospective donors with our work.

Arts Council England continued to be a vital funder of Headlong's work through their National Portfolio Programme. This funding is guaranteed until March 2023 and the company has applied for further funding in the next funding cycle.

Regarding overall financial monitoring, our Finance Manager continues to oversee, re-evaluate and refine the systems in place, 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 expenditure is 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.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

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 ongoing impact of COVID-19 on the company's reserves policy, and considers Headlong Theatre Limited a going concern. 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 allocated the balance of our undesignated unrestricted reserves to a designated Touring & Freelancer Support Fund.

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 2021/2022.

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. 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.
3. 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.
4. 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 2022

Fundraising

Despite uncertainty due to changes in Headlong's Executive Team during the 2021/2022 financial year and the ongoing unpredictability and challenges presented by COVID-19, Headlong's fundraising activities remained relatively stable for the financial year ending 31st March 2022. Headlong fundraised a total of £169,774 towards our target of £180,000, which represents 94% of target.

We continued our ongoing relationships with Backstage Trust, Cockayne – Grants for the Arts and the London Community Foundation and The John Ellerman Foundation who provided crucial multi-year support for Headlong Origins, *Best of Enemies* and our new commissions respectively. We had a very successful renewal campaign with the large majority of existing donors renewing their support this year raising £58,110 from individual donors.

For the first time since 2016, there has been staff turnover that affects Headlong's Fundraising Team, with the departure of Executive Director Alan Stacey in April 2022, and the departure of the Development Manager in summer 2022. Headlong's new Executive Director Lisa Maguire will continue to provide leadership and oversight on all fundraising activities. She will be supported by the part-time Fundraising Consultant and the newly appointed Interim Development Manager. 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. It is therefore crucial for the company and the new members of the Development Team to maintain key relationships with existing funders and to build new relationships with prospective funders to ensure long term fundraising success. Nicky Jones, one of Headlong's Board members, 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. Nicky helps to ensure that Headlong follows the best fundraising practices.

Headlong Theatre Limited 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 2022

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 nine, 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 2020/2021 Alan Stacey was named Chief Executive when Artistic Director Jeremy Herrin left the company. Holly Race Roughan and Lisa Maguire became joint Chief Executives when Lisa took up the post of Executive Director in April 2022.

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 2022

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 6th December 2022, and signed on its behalf by:



D Munday - Trustee

HEADLONG THEATRE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEADLONG THEATRE LIMITED

Opinion

We have audited the financial statements of Headlong Theatre Limited (the "Charitable Company") for the year ended 31 March 2022 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 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 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with the applicable legal requirements.

HEADLONG THEATRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HEADLONG THEATRE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees, who are also the directors of the charitable company 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

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

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

16 December 2022
.....

Statutory Auditor

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

HEADLONG THEATRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	759,072	104,372	863,444	771,261	946,329
Charitable activities	4	28,018	-	28,018	145,100	145,100
Investments	5	1,236	-	1,236	2,355	2,355
Total income		788,326	104,372	892,698	175,068	1,093,784
Expenditure on:						
Charitable activities	6	815,606	77,588	893,194	202,012	1,009,881
Net (outgoing)/incoming resources before transfers		(27,280)	26,784	(496)	110,847	83,903
Gross transfers between funds		4,372	(4,372)	-	39,722	-
Net (expenditure)/income for the year/						
Net movement in funds		(22,908)	22,412	(496)	150,569	83,903
Fund balances at 1 April 2021		573,756	120,136	693,892	423,187	609,989
Fund balances at 31 March 2022		550,848	142,548	693,396	120,136	693,892

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.

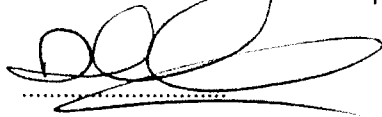
HEADLONG THEATRE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		3,753		2,406
Investments	11		1		1
			<u>3,754</u>		<u>2,407</u>
Current assets					
Debtors	12	116,783		171,705	
Cash at bank and in hand		687,966		712,009	
		<u>804,749</u>		<u>883,714</u>	
Creditors: amounts falling due within one year	13	(115,107)		(192,229)	
Net current assets			689,642		691,485
Total assets less current liabilities			<u>693,396</u>		<u>693,892</u>
Income funds					
Restricted funds	14		142,548		120,136
Unrestricted funds		550,848		573,756	
			<u>550,848</u>		<u>573,756</u>
			<u>693,396</u>		<u>693,892</u>

The financial statements were approved by the board of trustees on 6th December 2022.



D Munday - Trustee

Company Registration No. 01171757

HEADLONG THEATRE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(21,348)		310,379
Investing activities					
Purchase of tangible fixed assets		(3,931)		(993)	
Investment income received		1,236		2,355	
Net cash (used in)/generated from investing activities			(2,695)		1,362
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(24,043)		311,741
Cash and cash equivalents at beginning of year			712,009		400,266
Cash and cash equivalents at end of year			687,966		712,009

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Headlong Theatre Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 207 3rd Floor, Waterloo Road, London, SE1 8XD, England.

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 charitable company. 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 entity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to take all available steps to maintain sufficient resources in order for the Theatre can continue and, based on projections and available information, have a reasonable expectation that the theatre will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore had prepared the financial statements on a going concern basis.

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.

1.4 Income

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.

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 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 the statement of financial activities.

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.

HEADLONG THEATRE LIMITED

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

1 Accounting policies

(Continued)

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).

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 entities 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 2022

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 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Trust funding and donations	66,770	104,372	171,142	78,959	92,500	171,459
Grants - Art Council England	692,302	-	692,302	692,302	-	692,302
BBC Funding	-	-	-	-	82,568	82,568
	<u>759,072</u>	<u>104,372</u>	<u>863,444</u>	<u>771,261</u>	<u>175,068</u>	<u>946,329</u>

4 Charitable activities

	Operation of touring theatre 2022 £	Operation of touring theatre 2021 £
Performance and workshop fees	27,981	75,488
Theatre Tax Relief	37	69,612
	<u>28,018</u>	<u>145,100</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	<u>1,236</u>	<u>2,355</u>

HEADLONG THEATRE LIMITED

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

6 Charitable activities

	Operation of Touring Theatre 2022 £	Operation of Touring Theatre 2021 £
Operation of Touring Theatre	430,917	518,216
Share of support costs (see note 7)	438,189	466,126
Share of governance costs (see note 7)	24,088	25,539
	<u>893,194</u>	<u>1,009,881</u>
Analysis by fund		
Unrestricted funds	815,606	807,869
Restricted funds	77,588	202,012
	<u>893,194</u>	<u>1,009,881</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 £	2022 Support costs £	Governance costs £	2021 £
Staff costs	389,859	-	389,859	454,078	454,078
Depreciation	2,584	-	2,584	2,689	2,689
Computer Expenses	9,683	-	9,683	9,209	9,209
Marketing costs	16,820	-	16,820	150	150
Office expenses	19,243	-	19,243	-	-
Audit fees and other services	-	9,825	9,825	-	12,287
Legal and professional	-	13,794	13,794	-	12,753
Board Expenses	-	469	469	-	499
	<u>438,189</u>	<u>24,088</u>	<u>462,277</u>	<u>466,126</u>	<u>491,665</u>
Analysed between Charitable activities	<u>438,189</u>	<u>24,088</u>	<u>462,277</u>	<u>466,126</u>	<u>491,665</u>

Governance costs includes payments to the auditors of £6,750 (2021 £6,250) for audit fees.

HEADLONG THEATRE LIMITED

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

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:

	2022 Number	2021 Number
	10	12

Employment costs

	2022 £	2021 £
Wages and salaries	389,859	454,078

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

2022 Number	2021 Number
1	2

The key management of the charity comprise of the trustee, the Artistic Director and the Executive Director.
The total employee benefits of the key management personnel of the charity were £124,093 (2021 £97,294)

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	56,569	12,214	68,783
Additions	1,324	2,607	3,931
At 31 March 2022	57,893	14,821	72,714
Depreciation and impairment			
At 1 April 2021	54,655	11,722	66,377
Depreciation charged in the year	1,464	1,120	2,584
At 31 March 2022	56,119	12,842	68,961
Carrying amount			
At 31 March 2022	1,774	1,979	3,753
At 31 March 2021	1,914	492	2,406

HEADLONG THEATRE LIMITED

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

11 Fixed asset investments

	Shares in Group Undertakings £
Cost or valuation	
At 1 April 2021 & 31 March 2022	1
Carrying amount	
At 31 March 2022	1
At 31 March 2021	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

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	18,363	17,137
Other debtors	36,023	51,360
Prepayments and accrued income	62,397	103,208
	116,783	171,705

HEADLONG THEATRE LIMITED

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

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	849	3,125
Trade creditors	75,758	145,550
Other creditors	14,786	4,817
Accruals and deferred income	23,714	38,737
	<u>115,107</u>	<u>192,229</u>

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

	2022 £	2021 £
Balance b/fwd	-	23,725
Income Released in the year	-	(23,725)
Income Deferred In year	-	-
	<u>-</u>	<u>-</u>
Balance c/fwd at 31 March 2022	<u>-</u>	<u>-</u>

HEADLONG THEATRE LIMITED

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

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 2020 £	Movement in funds			Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Headlong Futures	45,175	-	-	(35,223)	9,952	-	(8,000)	-	-	1,952
Headlong Origins	72,460	50,000	(40,258)	-	82,202	80,000	(35,315)	-	-	126,887
James Graham (Maastricht)	26,667	-	(26,667)	-	-	-	-	-	-	-
New Commissions	20,000	20,000	(7,519)	(4,499)	27,982	20,000	(34,272)	-	-	13,710
After Life	22,500	22,500	(45,000)	-	-	-	-	-	-	-
Unprecedented	-	82,568	(82,568)	-	-	4,372	-	(4,372)	-	-
	186,802	175,068	(202,012)	(39,722)	120,136	104,372	(77,588)	(4,372)	142,548	

Headlong Futures had no donations this year, nor in the previous year, and the balance continues to be spent.

Headlong Origins received grants in the year of £80,000 (2021: £50,000) from the Backstage Trust, and will continue into 22/23.

New Commissions received grants in the year of £20,000 (2021 - £20,000) from the John Ellerman Foundation, and will continue into 22/23.

The Unprecedented fund received income of £4,372 in the year, however the expenditure occurred in the previous financial year, and therefore the balance has been transferred to unrestricted funds.

HEADLONG THEATRE LIMITED

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

15 Designated and Unrestricted

	Balance at 1 April 2020 £	Movement in funds			Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Depreciation and Maintenance Fund	56,793	-	-	-	56,793	-	(15,668)	-	-	41,126
Contingency Fund	261,246	-	-	-	261,246	-	-	-	-	261,246
Creative fund	35,148	918,716	(787,872)	(165,964)	-	-	-	-	-	-
Artist Development and Support	70,000	-	(20,000)	-	50,000	-	(50,000)	-	-	-
Touring & Freelancer Support	-	-	-	205,717	205,717	778,282	(739,895)	4,372	4,372	248,476
	423,187	918,716	(807,872)	39,722	573,758	778,282	(805,562)	4,372	4,372	550,848

HEADLONG THEATRE LIMITED

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

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) Touring and Freelancer Support. Fund set up in 2021 to mitigate the impact of COVID-19 on the cash flow of regional venues and on freelancers, we allocated the balance of our undesignated unrestricted reserves to a designated Touring & Freelancer Support Fund.

HEADLONG THEATRE LIMITED

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

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	3,753	-	3,753	2,406	-	2,406
Investments	1	-	1	1	-	1
Current assets/(liabilities)	480,984	208,658	689,642	571,349	120,136	691,485
	<u>484,738</u>	<u>208,658</u>	<u>693,396</u>	<u>573,756</u>	<u>120,136</u>	<u>693,892</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:

	2022 £	2021 £
Within one year	39,987	48,789
Between two and five years	73,534	143,402
	<u>113,521</u>	<u>166,191</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

19 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(496)	83,903
Adjustments for:		
Investment income recognised in statement of financial activities	(1,236)	(2,355)
Amortisation and impairment of intangible assets	2,584	2,689
Movements in working capital:		
Decrease in debtors	54,922	311,384
(Decrease) in creditors	(77,122)	(85,242)
Cash (absorbed by)/generated from operations	<u>(21,348)</u>	<u>310,379</u>