

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 2023

HEADLONG THEATRE LIMITED

CONTENTS

	Page
Report Of The Trustees	1 - 10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 28

HEADLONG THEATRE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Cornelius	(Appointed 4 June 2023)
	K Dickens	(Appointed 13 June 2023)
	P Dillon	(Appointed 6 December 2022)
	S Ellis	
	L Harvey	(Appointed 6 December 2022)
	J Head	(Appointed 21 April 2022)
	C Heaney	(Appointed 14 June 2023)
	J Hurt	
	P Isaac	(Appointed 25 January 2023)
	L Lambley	
	M Phillips	
	T Racklin	(Appointed 6 December 2022)
	L Wan	
Charity number	267965	
Company number	01171757	
Registered office	3rd Floor 207 Waterloo Road London England SE1 8XD	
Auditor	Azets Audit Services 2nd Floor Regis House 45 King William Street London EC4R 9AN	
Bankers	HSBC plc 65 Cornmarket Street Oxford OX1 3HY	
Key management personnel:		
Artistic Director/Chief Executive	H Race Roughan	
Executive Director/Chief Executive	A Stacey (to 19 April 2022) L Maguire (from 19 April 2022)	

HEADLONG THEATRE LIMITED

REPORT OF THE TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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 2023. The report, prepared in accordance with the Charities Act 2011, also constitutes a directors' report for the purposes of company legislation.

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).

Executive Summary

2022-23 has been a year of reach and rebuilding for Headlong. With our sector vulnerable after the challenges of the past few years, we were proud to play a vital role connecting theatres, artists and audiences across the nation with high-quality, exhilarating theatre. After opening Chloe Moss's gripping *Corina, Corina* in Liverpool, we returned to national touring for the first time since the pandemic with a poignant revival of August Wilson's *Jitney* and Cordelia Lynn's dark adaptation of Shakespeare's *Henry V*. Meanwhile in London, we celebrated our return to the West End with the transfer of James Graham's award-winning *Best of Enemies*.

We reached 128,498 people in eight towns and cities across the UK during the year and were thrilled with critical and popular responses to our work on stage. People travelled from all four countries of the UK to see Headlong shows in London and further afield, while we received frequent 5- and 4-star reviews from major mastheads including *The Times*, *Telegraph*, *Financial Times*, *Evening Standard* and *Guardian*.

Offstage, we continued to demonstrate our commitment to nurturing the brightest artists, especially those working and living outside London. Our respected Headlong Origins artist development programme supported five early-career directors to level up their careers and our second Writer in Residence joined us in London for a year-long bespoke attachment. The networks we have built over many years of touring allowed us to reach and platform a large and diverse group of freelance artists and creative practitioners whose talents and dedication enriched all aspects of our work. We also worked with community groups and secondary schools in Leeds, Liverpool, London and Northampton to foster new relationships and connections and deepen dialogue between local cultural providers and diverse groups underrepresented in the arts.

Towards the end of the year, we were grateful to be notified by Arts Council England of our successful application to join their Transfer Programme. As a National Portfolio Organisation, this decision will secure our vital public subsidy as we take steps to move out of London in 2024 and confirm our identity as a truly national touring company.

Our work would not be possible without the dedication and generosity of so many. In 2022-23 we would like to thank our funders, including Arts Council England, the Backstage Trust and our family of individual donors; the many artists, creatives and practitioners who worked with us throughout the year; our theatre and venue partners across the country; the audiences who came to see our shows; and our brilliant, hardworking staff team.

2022-23 Key Achievements

- 295 performances reached 128,498 people in eight towns and cities across the UK;
- *Best of Enemies* transferred to the West End, the original production receiving two Olivier Award nominations and winning the Critics' Circle Theatre Award for Best New Play and the South Bank Sky Arts Award;
- We toured two shows nationally for the first time since the pandemic, with *Jitney* and *Henry V* delighting audiences and critics nationwide;
- We celebrated the third year of Headlong Origins, nurturing 5 early career directors working and living outside London to take a step up in their careers;
- We collaborated with 87 freelance artists, practitioners and creative professionals, and welcomed our second Writer in Residence;
- We published two new Justice Plans, for Women and LGBTQIAA+ communities, enshrining our commitment to equality, diversity and inclusion in all that we do.

"Jitney is precisely the sort of project that could save Britain's theatres. It's terrific to see a work of this calibre brought into London after originating in a regional theatre - the sort of supportive relationship that the non-London theatre scene desperately needs."

The Telegraph

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

WHO WE ARE AND WHAT WE DO

Led by Artistic Director Holly Race Roughan and Executive Director Lisa Maguire, Headlong is the UK's leading touring theatre company. For almost 50 years, we have been bringing artists, audiences and communities together to make and experience award-winning, exhilarating theatre.

We partner with theatres from Plymouth to York to champion local stories, inspire diverse audiences and sustain regional venues across the nation. Mid-scale, with national impact, we support underrepresented and early-career artists with accessible pathways into the industry, nurture the brightest writers to write their best plays, and bring communities together to co-create theatre that breaks down barriers and ignites important conversations. The role we play as the linchpin connecting theatres, artists and audiences across the nation with high-quality touring work is critical to the vitality and future of UK touring theatre.

Since 2016, over 1.6 million people of all ages and backgrounds have experienced a Headlong production on stage, screen and online. Our productions regularly receive 4- and 5-star critical acclaim, rapturous audience feedback and major Olivier and UK Theatre awards. Previous shows include the Olivier Award-winning *This House and Labour of Love*, the five-starred hits *Best of Enemies* and *People, Places & Things*, national tours of *Henry V*, *Junkyard* and *Jitney*, and major digital theatre innovations *Signal Fires* and *Unprecedented*. We are industry leaders in promoting sustainability, equality, diversity and inclusion and are proud to be acknowledged as a key/prescribed practitioner for A-Level Drama and Theatre studies.

Core Aims and Objectives

- To commission and programme new writing that ensures tomorrow's classics reflect the cultural richness of our country today, sustaining and supporting the UK's mid-scale new writing ecology;
- To deliver work with the highest quality production values, engaging audiences across the country with the questions of our time;
- To meaningfully collaborate with local communities and cultural organisations to improve wellbeing and broker local connections, leaving a legacy of stronger and more resilient localities;
- To connect these localities via professional touring, helping to cross-pollinate the nation's imagination;
- To explore environmental responsibility in form and content, creating replicable models for a sustainable touring industry and placing the climate crisis at the heart of public discourse;
- To nurture the next generation of regional artists through bespoke talent development programmes;
- To innovate and experiment with new models of making and distributing work to revitalise the contemporary touring landscape, better serve communities and reach new audiences.

"[Headlong] are a company who respond to the world around us with urgency and imagination whilst simultaneously nurturing artists of all experience so that they can creatively thrive. They are a truly vital artery in the body of UK theatre."

Justin Audibert, Headlong Board Member and Artistic Director, Chichester Festival Theatre

ACHIEVEMENTS AND PERFORMANCE

In April 2022, Lisa Maguire joined Headlong as Executive Director, taking over from Alan Stacey. She had previously been Executive Producer for nine years at National Theatre Wales. During the year we were lucky enough to welcome four new trustees to our Board, Paddy Dillon, Lucinda Harvey, Prime Isaac and Toni Racklin.

We also said goodbye to four of our dedicated trustees, Richard Hantrods, Nicky Jones, Maggie Whitlum, and after 13 years on the Board and three as Chair, Donna Munday, who announced she would be stepping down. After a competitive recruitment process led by our Nominations Committee, Kathy Bourne, Executive Director of Chichester Festival Theatre, was announced as Headlong's new Chair in June 2023.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Productions

Corrina, Corrina

17 May 2022 – 4 June 2022

Written by award-winning Liverpool-based playwright Chloe Moss (*Run, Sister, Run, Love Liverpool*) and directed by Headlong's Artistic Director Holly Race Roughan, this co-production with Liverpool Everyman probed gender and power dynamics in the maritime industry. A Headlong commission, it premiered in Liverpool to rave reviews and a sell-out run, including 5 stars from the Liverpool ECHO ("You won't see a better piece of theatre"), 4.5 stars from Arts City Liverpool, and 4 stars from The Stage, Times and Telegraph.

Jiltney

9 June 2022 – 6 August 2022

Tinuke Craig (*The Colour Purple*) directed this "beautifully realised" (The Guardian – 4 stars) revival of August Wilson's ground-breaking modern classic in a co-production with Leeds Playhouse and the Old Vic. Following its 2021 premiere in Leeds, it opened in London at the Old Vic before touring to Oldham Coliseum, Worthing Connaught Theatre, Bath Theatre Royal and Cambridge Arts Theatre. Critical acclaim included 4 stars from the Financial Times, Guardian, Times and Evening Standard ("a stunning, richly-textured piece of work").

Henry V

19 November 2022 – 18 March 2023

Launching Shakespeare's Globe's Winter Season, Cordelia Lynn's dark new adaptation of Shakespeare's Henry V opened in the Sam Wanamaker Playhouse, directed by Holly Race Roughan. A "thrilling revival" (The Telegraph, 4 stars), it toured to Leeds Playhouse, Worthing Connaught Theatre and the Royal & Derngate in Northampton, with glowing 4-star reviews from the Financial Times, Evening Standard, Daily Mail and Observer ("Extraordinary, intimate, intense...What a feat").

Best of Enemies (West End Transfer)

14 November 2022 – 18 February 2023

Following its sold-out, critically acclaimed run in 2021, our commission of James Graham's "dazzling" (Evening Standard – 5 stars) play about the political rivalry between William F Buckley Jr and Gore Vidal transferred to the Noël Coward Theatre in the West End. A co-production with the Young Vic, with Second Half Productions, Eleanor Lloyd Productions and Wessex Grove, it was directed by former Headlong Artistic Director Jeremy Herrin. The transfer received rave 5-star reviews from The Times, Observer, Time Out, Sunday Times, Financial Times, Daily Mail and Evening Standard, while the original production won the 2022 Southbank Sky Arts Award for Best Theatre Production and Best New Play at Critics' Circle 2022 and was nominated for Best New Play at the Olivier Awards.

"We have worked with Headlong in a series of co-productions and collaborations since 2014. They are brilliant project partners; flexible, visionary and generous. I'd go so far as to say that they have become the indispensable company on the mid-scale touring circuit in recent years addressing a critical need for the highest quality work in venues across the UK."

James Brining, Artistic Director/Joint CEO, Leeds Playhouse

Audiences

By touring widely, we reduce geographic barriers to high-quality theatre, benefitting thousands of people every year by providing exceptional midscale theatre near where they live. In 2022-23, we reached 128,498 audience members in eight towns and cities across the UK, including in Bath, Cambridge, Leeds, Liverpool, London, Northampton, Oldham and Worthing.

Data for the period suggests that our national reach rivals that of much larger companies like the National Theatre and Royal Shakespeare Company, with audiences travelling from across the UK (including from Northern Ireland) to see our shows in both London and regional venues. Our productions attracted a culturally diverse audience, with double the average proportion of Kaleidoscope Creativity, when compared with typical theatre audiences, and reached deprived communities increasingly underrepresented amongst arts audiences, with 30% of bookers for Corrina, Corrina from communities ranked amongst the 20% most deprived.

Our digital reach also grew during the year, with a 7% increase in e-newsletter subscribers (to 16,000) and a steady 58,000 followers on social media (Twitter, Facebook, Instagram, Tik Tok and Vimeo).

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Community

As a touring company, we work in partnership with like-minded local cultural providers and grassroots organisations to support local venues to become civic spaces for their local communities, to add value to key education providers and schools and to nurture audiences for both Headlong and regional partners through co-creation. In 2022-23 we continued our work of embedding community activity into our artistic programme.

Corrina, Corrina

We collaborated with the Liverpool branch of Choir With No Name, a charity working with vulnerable adults who have experienced or are experiencing homelessness or have been ostracised by society. 35 members of the choir took part in two post-show performances, including a closing night celebration featuring a song members of the choir had composed and written for the show themselves. With a key storyline of the play concerning the exploitation of Southeast Asian communities, especially Filipino workers, in commercial shipping and a cast of 50% Filipino artists as well as a Filipino-heritage Assistant Director and Movement Director, we also ran a BESEA-led post-show discussion with Kanlungan, a Filipino and Southeast Asian charity, about the representation of BESEA identity in British Theatre and Filipino identity in *Corrina, Corrina*.

Jitney

During the *Jitney* run, we partnered with Kestrel Theatre Company, who work in the UK's criminal justice system to provide theatre and drama workshops in prisons. Inspired by the storyline of one of the play's central characters, we showcased four documentary short films created by Kestrel with award-winning filmmaker Dorothy Allen-Pickard, exploring the post-prison experiences of four ex-offenders and chaired a discussion with the men featured in the films. This probed the themes of *Jitney* and the impact of the arts on the criminal justice system and was attended by over 100 people. We also shared links to the films on our website throughout the tour so they could be accessed by audiences around the country.

Henry V

We worked with secondary school students in Leeds and Northampton to deepen their engagement with the themes of the play. A diverse group of 68 students from Key Stages 3, 4 and 5 at Ilkley Grammar School, Cockburn Laurence Calvert Academy and Northampton School for Boys took part in interactive creative workshops led by our Communities Associate Iskander R. Sharazuddin. Students responded enthusiastically to the play's themes of power and nationalism.

"It is rare to partner with a company who demonstrates so much care for how a work might resonate locally and who is committed to in-depth community engagement alongside their productions. It is through partnership with Headlong that regional theatres can attract new works by some of the most exciting and sought after voices in new writing. They're a company characterised by a steadfast commitment to ensuring theatre-goers, both new and established, have the opportunity to experience the best of British theatre."

Suba Das, Creative Director, Liverpool Everyman & Playhouse

Artist Development

In 2022-23, we continued to play a major role in future-proofing our industry by developing artists, especially those living and working outside London. The networks we have built over many years of touring allow us to reach the brightest local artists and offer them unparalleled access to professional opportunities on a national scale.

Origins

Our respected year-long Headlong Origins programme, funded by the Backstage Trust, continued in 2022-23, supporting five early-career regional directors to develop the skills, experience, relationships and ideas to realise their artistic ambitions and move forward in their careers. Anna Berentzen (Manchester), Callum Berridge (Sheffield), Sam Hardie (Edinburgh), Mandeep Kaur Glover (Leicester) and Emily Ling Williams (East Sussex) participated in masterclasses, workshops and practical work opportunities curated by project lead and mentor, Sarah Frankcom, an award-winning theatre director in her own right.

"The [Headlong Origins] programme has gone way over and beyond. There are no other opportunities like this anywhere else in the UK that provide such full care, love and support. It really has packed so much learning [and] support whilst celebrating me as an artist too."

Sam Hardie, Headlong Origins Artist, 2022-23

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Writer In Residence

Playwright and actor Charlie Josephine (*I, Joan, Bitch Boxer, BLUSH*) joined the company as Headlong's Writer in Residence for 2022/23. This scheme aims to nurture new voices and diversify the pool of exceptional early-career playwrights who are given the chance to be commissioned. Charlie joined us for a 12-month residency, during which they worked closely with the artistic and producing team on a new play. They also hosted an Introduction to Playwriting online workshop for 62 young playwrights from across the UK.

Commissions

As one of the major commissioners of new plays in the country, we are well-known for supporting playwrights at pivotal points in their careers. We currently have 11 writers under commission and scheduled to deliver a play within the next three years. During the year we offered each writer ongoing dramaturgical support and access to our dedicated Writer's Room and held four workshops for works-in-progress.

Justice: Equality, Diversity & Inclusion

In 2022-23, we produced and published our latest Justice Plans, focusing on Women and LGBTQIAA+ communities. These plans are designed to hold us to account as we work to be a future-facing company that truly represents the nation and creates change. Developed by our staff and Board in consultation with leading access organisations Milk Presents and Tonic Theatre, they join our Justice Plans for Race and Disability. All four Justice Plans have been published on our website.

We continued to hold weekly internal Justice meetings for all staff, to which Board members were regularly invited, and discussed progress to our goals at every Board meeting. We also used a Justice checklist to ensure our targets were embedded into our producing processes and debriefed after every production to assess how we had performed to our goals.

We continue to progress towards gender balance and full representation across all our work and among our staff and Board. Our Board at 31 March 2023 was 79% female, 21% male and 29% Global Majority. The Board, Finance and General Purposes and Nominations Committees are all chaired by women. Our diverse, female-led workforce was 50% Global Majority and we continued to use the Weston Jerwood Creative Bursaries Toolkit to ensure our recruitment processes were as inclusive as possible.

Since 2019, Headlong has achieved gender parity across all commissions, with at least one in four new works also written by an artist from the Global Majority. We maintained this industry-leading standard in 2022-23. Of the freelancers we worked with, 56% were female or non-binary, including directors, actors, stage managers, designers and writers, and 45% Global Majority. We also worked with 10 individuals who identified as disabled.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

As a proud National Portfolio Organisation, we are reliant on public funding to survive and work very hard to ensure every production achieves maximum impact and public benefit. In 2022-23 we made a successful application for renewed funding that addressed the strategic priorities of Arts Council England's 10-year strategy, Let's Create. As a result of this, we were invited to enter their Transfer Programme, a parallel investment programme developed following the Arts Council's comprehensive spending review in 2021. This achievement will safeguard the core public funding that is vital to our existence and confirm our identity as a truly national touring company, helping us to contribute even more to strengthening arts and investment opportunities outside London.

In 2022-23, we ended the year with a planned deficit of (£147,709) and carried forward reserves of £545,687 (2022: £693,396), £0 of which were restricted (2022: £142,549). Arts Council England funding of £692,302 (2022: £692,302) was received, comprising 60% of our total income (2022: 76%). This vital core funding supported all artistic and community activity and talent development. 27% was raised from production income, while a further 10% was raised from fundraising from Trusts, Foundations and Individual Donors. The remainder came from Theatre Tax Relief and Investment interest.

Our Finance Director continued to oversee, re-evaluate and refine the established systems we have in place, which provide checks and balances and an appropriate audit trail, while maintaining a high level of accuracy and efficiency. All bank transactions were subject to a two-person authorisation system and all budgets were supervised by individual internal budget-holders, with expenditure signed off by a second authoriser before being paid. At Board level, all financial papers were first checked by and discussed with the Financial and General Purposes Committee, before they were reported to the Board on a quarterly basis.

Reserves Policy

The trustees aim to maintain unrestricted reserves at a level that ensures sufficient reserves are available at any time to complete committed projects and administrative costs.

Headlong maintains three unrestricted designated funds, as follows:

- Contingency fund with a minimum of 3 months' operating costs held, as per industry best practice;
- Depreciation and maintenance fund of no less than £30,000;
- Touring and Freelancer Support Fund: We made a planned investment of reserves into our touring work in 2022/23 to support the post-pandemic recovery of our venue partners and freelance artists. This strategic investment will continue in 2023/24. The fund is expected to be wound down by 31 March 2026, leaving Headlong with an unrestricted funds balance which meets the reserves policy.

Of our total reserves of £545,687 at year end (2022: £693,396), £0 were restricted (2022: £142,548). The company wound down all restricted funds, which were in main being held due to time delays on activity caused by the pandemic, and which have now been resolved.

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.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Risk Management

The trustees have conducted a review of Headlong's activities and the major risks to which it is exposed. An established risk register is updated annually, and systems and procedures have been established to monitor and mitigate any risks identified in the register.

The report below includes the risks that the trustees deemed to be most significant to the company during 2022-23.

The main risks identified were:

- Force majeure (external risk). This risk was introduced following COVID-19 and the major impact it has had on the performing arts industry. The risk score is high and will likely remain so, dependent on the UK's overall recovery. Headlong will continue to monitor the situation and adapt accordingly.
- The reduction or axing of government arts funding. This risk was controlled and mitigated by making the strategic decision to take part in the Arts Council's Transfer Programme, by working to diversify income streams and deepen relationships with existing funders, planning for cuts and retaining a lean infrastructure.
- A significant drop in theatre revenue. This risk was controlled and mitigated by making a strategic investment from our reserves into increasing our number of co-productions, continuing to partner with venues capable of paying guarantees and by investing commercial income in regional artists and productions.

Fundraising

In 2022-23, we continued to nurture long-term relationships with individuals and trusts who understand and support our values and wish to support our work. We were successful in raising a total of £119,852 (2022: £171,404) of development income during the year, despite key staff turnover and temporary constraints on resourcing following the departure of Headlong's full-time Development Manager in June 2022.

In addition to vital core funding from Arts Council England, we received the second instalment of a two-year grant from the Backstage Trust in support of our Headlong Origins talent development programme, and unrestricted donations from our family of individual donors. We continued to take a highly targeted approach to soliciting donations and approached only those who expressed an explicit interest in the company, or who had been introduced by Board members or Headlong friends for that purpose.

Following the departure of our Development Manager, an interim freelance Development Manager was recruited on 2 days a week to maintain fundraising activity, overseen by Executive Director Lisa Maguire and supported by a freelance Development Consultant. During the year, the Development team also received advice from Board member Nicky Jones, an Independent Fundraising Consultant with extensive experience. Plans to recruit a full time Development Director were subsequently put in place.

As part of our commitment to good practice, we ensure that our fundraising activity is subject to statutory regulations and GDPR. We received no complaints during the year in relation to our fundraising activity.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

In February 2023 we announced our 2023-24 season, a dynamic programme of innovative new writing and reimagined classics that speak to our current social and political moment and will bring award-winning artists and bold new voices to audiences across the country:

A View from the Bridge

A revival of Arthur Miller's visceral and timeless masterpiece, to be directed by Holly Race Roughan, in a co-production with Octagon Theatre, Bolton, Chichester Festival Theatre and the Rose Theatre Kingston. This new production of Miller's tragic play will explore women's domestic labour, toxic masculinity and the contemporary migrant experience.

A Play for the Living in a Time of Extinction

A co-production with the Barbican, this daring one-woman show written by Miranda Rose Hall will open at the Barbican, directed by Katie Mitchell and starring Lydia West in her stage debut, before touring to Belgrade Theatre Coventry, Shakespeare North, New Vic Newcastle-under-Lyme, Theatre Royal Plymouth and York Theatre Royal. A bold experiment in eco theatre-making, local directors Ellie Taylor, Kay Michael, Mingyu Lin, Nyasha Gudo and Nathan Powell will bring the show to life in each venue with resident teams, eliminating the need for physical travel, while every performance will be powered by renewable bicycle technology.

untitled f**k m*ss s**gon play

The world premiere of Kimber Lee's award-winning play, to be co-produced with Royal Exchange Theatre, Factory International for Manchester International Festival and the Young Vic, directed by Roy Alexander Weise (*The Mountaintop, Nine Night*). Lee's sharply comic play explores identity and misrepresentation and won the International Award for The Bruntwood Prize for Playwriting in 2019.

Alongside our work on stage, we will continue our community and artist development activity. We plan to work with community and grassroots organisations local to performances while we are on tour. We will welcome our fourth cohort of Headlong Origins early-career directors and will continue commissioning and developing distinctive new writing from some of the UK's most exciting voices, with artists currently under commission including Johnny Flynn and Robert MacFarlane, Sami Ibrahim, Charlie Josephine (Headlong's Writer in Residence 2022-23), Eve Leigh, Laura Lomas, Cordelia Lynn, Morgan Lloyd Malcolm, Winsome Pincock, Joel Tan and Amanda Wilkin. We also look forward to Moi Tran joining us as a Designer in Residence for 2023 and recruiting our next Writer in Residence.

In 2023/24, we will also progress our Justice work, continuing to hold ourselves accountable to our targets and aiming to produce and publish our final two Justice Plans, for Climate and Socio-Economic.

Organisationally, we will plan for our transfer out of London in 2024, a move which will coincide with our 50th anniversary year and represent an exciting and significant step forward as we continue our work supporting artists, audiences and venues across the nation.

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Headlong Theatre Limited is a company limited by guarantee registered in England and Wales (number 1171757) and a charity registered with the Charity Commission in England and Wales (number 267965). Its governing document is its Memorandum and Articles of Association.

The company is based in London and has a permanent staff of six, led by an active and engaged volunteer Board of directors, who are charity trustees for the purposes of charity law.

Directors are recruited via an open and inclusive process led by the Board's Nomination Committee. Individuals are formally appointed by majority vote after being proposed by another member of the Board at a Board meeting. On appointment, new trustees are given a Board induction pack which provides information on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, decision-making processes, Headlong's financial position and the business plan. Trustees are also supplied with a copy of the company's Memorandum and Articles of Association. All trustees are offered training appropriate to their roles on the Board.

The Board meets quarterly to receive artistic, organisational and Justice reports from senior leadership and review management accounts and annual budgets. A Finance and General Purposes Committee, made up of five trustees, also meets quarterly prior to each Board meeting to scrutinise the management accounts and cash flow, manage the organisational risk register and review day-to-day management. Trustees devolve responsibility for the running of the charity to the key management personnel and joint Chief Executives, Artistic Director Holly Race Roughan and Executive Director Lisa Maguire.

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 Purposes Committee of the Board and is determined by the seniority, experience and skills of the staff member.

The Trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements were:

J Audibert	(Appointed 12 April 2022 and resigned 5 December 2023)
A Cornelius	(Appointed 4 June 2023)
K Dickens	(Appointed 13 June 2023)
P Dillon	(Appointed 6 December 2022)
S Ellis	
L Harvey	(Appointed 6 December 2022)
J Head	(Appointed 21 April 2022)
C Heaney	(Appointed 14 June 2023)
R Huntrods	(Resigned 6 December 2022)
J Hurt	
P Isaac	(Appointed 25 January 2023)
N Jones	(Resigned 14 June 2023)
L Lambley	
D Munday	(Resigned 14 June 2023)
M Phillips	
T Racklin	(Appointed 6 December 2022)
L Wan	
M Whittum	(Resigned 1 November 2022)

HEADLONG THEATRE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

Statement of Report of the 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.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a 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.

The Report of the Trustees report was approved by the Board of Trustees on 14 December 2023 and signed its behalf by:


K. Dickens
Trustee

14 December 2023

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 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Charitable Company 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 Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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 Report of the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Report of the Trustees report has been prepared in accordance with 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 included within the Report of the Trustees 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 trustees' 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 Report of the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Report of the 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

HEADLONG THEATRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HEADLONG THEATRE LIMITED

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:

- 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 company 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

14 December 2023

Chartered Accountants
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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	732,154	80,000	812,154	759,072	104,372	863,444
Charitable activities	4	337,303	-	337,303	28,018	-	28,018
Investments	5	1,814	-	1,814	1,236	-	1,236
Total income		<u>1,071,271</u>	<u>80,000</u>	<u>1,151,271</u>	<u>788,326</u>	<u>104,372</u>	<u>892,698</u>
Expenditure on:							
Charitable activities	6	<u>1,076,431</u>	<u>222,549</u>	<u>1,298,980</u>	<u>815,606</u>	<u>77,588</u>	<u>893,194</u>
Gross transfers between funds		-	-	-	4,372	(4,372)	-
Net expenditure for the year/							
Net movement in funds		(5,160)	(142,549)	(147,709)	(22,908)	22,412	(496)
Fund balances at 1 April 2022		<u>550,847</u>	<u>142,549</u>	<u>693,396</u>	<u>573,756</u>	<u>120,136</u>	<u>693,892</u>
Fund balances at 31 March 2023		<u><u>545,687</u></u>	<u><u>-</u></u>	<u><u>545,687</u></u>	<u><u>550,848</u></u>	<u><u>142,548</u></u>	<u><u>693,396</u></u>

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		3,236		3,753
Investments	11		1		1
			<u>3,237</u>		<u>3,754</u>
Current assets					
Debtors	12	500,095		116,783	
Cash at bank and in hand		405,811		687,968	
		<u>905,906</u>		<u>804,749</u>	
Creditors: amounts falling due within one year	13	(363,456)		(115,107)	
Net current assets			<u>542,450</u>		<u>689,642</u>
Total assets less current liabilities			<u>545,687</u>		<u>693,396</u>
Income funds					
Restricted funds	14		-		142,548
Unrestricted funds			<u>545,687</u>		<u>550,848</u>
			<u>545,687</u>		<u>693,396</u>

The financial statements were approved by the Trustees on 14 December 2023


K Dickens
Trustee

Company registration number 01171757

HEADLONG THEATRE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(282,929)		(21,348)
Investing activities					
Purchase of tangible fixed assets		(1,040)		(3,931)	
Investment income received		1,814		1,236	
Net cash generated from/(used in) investing activities			774		(2,695)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(282,155)		(24,043)
Cash and cash equivalents at beginning of year			687,966		712,009
Cash and cash equivalents at end of year			405,811		687,966

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 Trustees 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 Charitable Company 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 2023

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 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the Charitable Company 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 Charitable Company 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 Charitable Company 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 Charitable Company'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 2023

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 Charitable Company 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 Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Trust funding and donations	39,852	80,000	119,852	66,770	104,372	171,142
Grants - Art Council England	692,302	-	692,302	692,302	-	692,302
	<u>732,154</u>	<u>80,000</u>	<u>812,154</u>	<u>759,072</u>	<u>104,372</u>	<u>863,444</u>

4 Charitable activities

	Operation of touring theatre 2023 £	Operation of touring theatre 2022 £
Ancillary trading income	308,403	27,981
Other income	18,092	37
Royalty income	10,808	-
	<u>337,303</u>	<u>28,018</u>

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	<u>1,814</u>	<u>1,236</u>

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Operation of Touring Theatre 2023 £	Operation of Touring Theatre 2022 £
Operation of Touring Theatre	807,773	430,917
Share of support costs (see note 7)	477,236	438,189
Share of governance costs (see note 7)	13,971	24,088
	<u>1,298,980</u>	<u>893,194</u>
Analysis by fund		
Unrestricted funds - general	1,076,431	815,606
Restricted funds	222,549	77,588
	<u>1,298,980</u>	<u>893,194</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 £	2023 Support costs £	Governance costs £	2022 £
Staff costs	368,930	-	368,930	389,859	389,859
Depreciation	1,557	-	1,557	2,584	2,584
Computer Expenses	12,723	-	12,723	9,683	9,683
Marketing costs	69,726	-	69,726	16,820	16,820
Office expenses	24,300	-	24,300	19,243	19,243
Audit fees and other services	-	9,746	9,746	-	9,825
Legal and professional	-	4,147	4,147	-	13,794
Board Expenses	-	78	78	-	469
	<u>477,236</u>	<u>13,971</u>	<u>491,207</u>	<u>438,189</u>	<u>462,277</u>
Analysed between Charitable activities	<u>477,236</u>	<u>13,971</u>	<u>491,207</u>	<u>438,189</u>	<u>462,277</u>

Governance costs includes payments to the auditors of £8,200 (2022: £6,750) for audit fees.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Trustees Remuneration

None of the Trustees received any remuneration or benefits during the year (2022: none).

9 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
8	10

Employment costs

2023 £	2022 £
-----------	-----------

Wages and salaries

368,930	389,859
---------	---------

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

2023 Number	2022 Number
2	1

The key management of the charity comprise the trustees, the Artistic Director and the Executive Director. The total employee benefits of the key management personnel of the charity were £142,140 (2022: £124,093).

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	57,893	14,821	72,714
Additions	1,040	-	1,040
Disposals	-	(12,720)	(12,720)
At 31 March 2023	58,933	2,101	61,034
Depreciation and impairment			
At 1 April 2022	56,119	12,842	68,961
Depreciation charged in the year	1,078	479	1,557
Eliminated in respect of disposals	-	(12,720)	(12,720)
At 31 March 2023	57,197	601	57,798
Carrying amount			
At 31 March 2023	1,736	1,500	3,236
At 31 March 2022	1,774	1,979	3,753

11 Fixed asset investments

	Unlisted Investments £
Cost or valuation	
At 1 April 2022 & 31 March 2023	1
Carrying amount	
At 31 March 2023	1
At 31 March 2022	1

The investment is for 100% of the share capital of Headlong Commercial Limited (registered company number 09276083), a private company limited by shares. The entity is currently dormant.

There were no fixed asset investments outside of the UK.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	316,934	18,363
Other debtors	33,191	36,023
Prepayments and accrued income	149,970	62,397
	<u>500,095</u>	<u>116,783</u>

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	13,361	849
Trade creditors	178,614	75,758
Other creditors	33,775	14,786
Accruals and deferred income	137,706	23,714
	<u>363,456</u>	<u>115,107</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	-	-

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 2021 £	Movement in funds			Transfers £	Balance at 1 April 2022 £	Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £				Incoming resources £	Resources expended £		
Headlong Futures	9,952	-	(8,000)		-	1,952	-	(1,952)		-
Headlong Origins	82,202	80,000	(35,315)		-	126,887	80,000	(206,887)		-
New Commissions	27,982	20,000	(34,272)		-	13,710	-	(13,710)		-
After Life	-	4,372	-		(4,372)	-	-	-		-
	120,136	104,372	(77,587)		(4,372)	142,549	80,000	(222,549)		-

All restricted funds have been expended in FY 2022/23. Headlong Origins has been funded again by the Backstage Trust in 2023/24, but all related expenditure is expected in-year.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Movement in funds		Transfers £	Balance at 1 April 2022 £	Movement in funds		Balance at 31 March 2023 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £	
Depreciation and maintenance fund	56,793	-	(15,668)	-	41,125	-	-	41,125
Contingency fund	261,246	-	-	-	261,246	-	-	261,246
Artist Development and Support	50,000	-	(50,000)	-	-	-	-	-
Touring & Freelancer Support	205,717	778,282	(739,895)	4,372	248,476	1,071,271	(1,076,431)	243,316
	573,756	778,282	(805,563)	4,372	550,847	1,071,271	(1,076,431)	545,687

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. We expect this fund to naturally be wound down by March 2026, as we invest these funds into our artistic and outreach projects in this period, as authorised by our Trustees.

HEADLONG THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	3,236	-	3,236	3,753	-	3,753
Investments	1	-	1	1	-	1
Current assets/(liabilities)	542,450	-	542,450	480,984	208,658	689,642
	<u>545,687</u>	<u>-</u>	<u>545,687</u>	<u>484,738</u>	<u>208,658</u>	<u>693,396</u>

17 Operating lease commitments

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

	2023 £	2022 £
Within one year	39,726	39,987
Between two and five years	9,888	73,534
	<u>49,614</u>	<u>113,521</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2022: none).

19 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(147,709)	(496)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,814)	(1,236)
Amortisation and impairment of intangible assets	1,557	2,584
Movements in working capital:		
(Increase)/decrease in debtors	(383,312)	54,922
Increase/(decrease) in creditors	248,349	(77,122)
Cash absorbed by operations	<u>(282,929)</u>	<u>(21,348)</u>