

Charity registration number 1083910 (England and Wales)

Company registration number 03998925

HEADWAY EAST LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

HEADWAY EAST LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--------------------------|--|--|
| Trustees | S Edwards G Hodgson (Chair) A Kershberg P Stanford T Russell T Sneath M Samwell S Hayward | (Appointed 19 September 2024) (Appointed 19 September 2024) |
| Secretary | W Geertsema | |
| Charity number | 1083910 | |
| Company number | 03998925 | |
| Registered office | Bradbury House Timber Wharf 238-240 Kingsland Road London E2 8AX | |
| Auditor | BK Plus Audit Limited Oakingham House Frederick Place High Wycombe Buckinghamshire HP11 1JU | |

HEADWAY EAST LONDON

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HEADWAY EAST LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

This has been a year of growth, change, and celebration for Headway East London. Following a vibrant 25th anniversary year, 2024–25 has seen the organisation continue to deliver outstanding services while laying the groundwork for our future expansion.

We ended the calendar year with a joyful month of events, celebrating our members, volunteers and staff with parties across December—including a memorable karaoke performance from some of our trustees at the volunteer celebration! These moments remind us how important connection and community are to Headway's culture and our work.

There have been lots of exciting developments in our funding landscape. We received renewed and new commitments for key services, including the Casework Team. A particular highlight was a one-off grant of £20,000 from a charitable trust—offered after trustees watched our film *The Magic of Chaos*. Combined with our multi-year grants, these developments place us in a strong and stable financial position going into 2025–26.

This year has also involved deeper collaboration and leadership development across the organisation. Budget setting in December and January brought together managers from every area to shape our financial priorities, with a strong level of engagement and shared ownership.

Alongside this, our Fundraising Manager, Kath Lee, was promoted into our senior management team as Director of Fundraising, and we appointed a Director of Services, Claire Farrington-Douglas, who joined in March. These appointments strengthen our leadership capacity at a crucial time, as we prepare to extend our reach.

A business case to establish a new day service in South East London has been agreed. This opportunity has emerged through a chance meeting and subsequent partnership with a local group. With agreement to use their remaining funds, we're developing plans to co-create a new service rooted in Headway's core values.

With this expansion comes a bigger question about identity and naming. We have started early work on a change of name—from Headway East London to Headway London—that reflects both our current and future geography. Over the coming months, we'll consult with other Headway groups and branches across the London area to build collaboration around this ambition.

As we look ahead, we remain rooted in the community of members, staff and volunteers who make our work possible. We are proud of everything we've achieved together this year and excited for what comes next.

Sarah Lantsbury, Chief Executive
Glen Hodgson, Chair

HEADWAY EAST LONDON

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

FOR THE YEAR ENDED 31 MARCH 2025

Service/Department highlights

Fundraising

We've sustained strong momentum this year, securing new grants and cultivating positive relationships with major funders. All major reports to funders, including the Arts Council and National Lottery, were successfully completed. Although the grants environment remains highly competitive, we've laid solid groundwork for future applications and launched development of a capital fundraising strategy for a new site.

Development

Our partnerships continue to thrive. We've secured a 4-year commitment from solicitor firm Bolt, Burdon & Kemp (BBK) for our Casework service and launched collaborative creative projects with Vital Arts, Brainbook, and Crainio. Our kitchen team catered community events and secured a 5-star hygiene rating, while Submit to Love Studio raised over £5,000 at their Christmas Open Studio.

Communications & Public Engagement

Our 25th anniversary heritage project culminated with our documentary *The Magic of Chaos*, which premiered to a sold-out audience and gained further reach via ITV, cinemas, and online platforms—engaging tens of thousands of viewers. Strategic support from Cream UK has delivered over £50k in pro-bono advertising and improved our digital presence. A tour of *differently various in different spaces* reached audiences at exhibitions and events across our catchment area. Meanwhile, our events programme—featuring the Winter Feast and new public performances—continues to connect our members with wider audiences.

Day & Evening Services

We welcomed new members, launched creative groups, and continued to expand our volunteer team and build partnerships in the community. Highlights include a successful group exhibition in Shoreditch, a string of sell-out Headway Eats supper clubs, and a drama performance in Chats Palace. In the kitchen, demand for Headway lunches is at an all-time high since being supported to offer free meals to members by a generous donation from a former volunteer and their friend. The Day Service is now at capacity, and alongside the Evening Service, which continues to grow, we are exploring ways to increase access and space.

HEADWAY EAST LONDON

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

FOR THE YEAR ENDED 31 MARCH 2025

Community Support Work Service

The service has grown steadily with more assessments, new starters, and improved peer support activity. Staff turnover has presented challenges, but we are addressing recruitment and retention through permanent roles and improved contracts to ensure continuity and financial efficiency.

Therapy Service

Our low-cost therapy offer expanded and our private therapy team is growing in strength and visibility. New research partnerships blossomed, including presentations at national events and academic collaborations with UCL and Anglia-Ruskin Medical School. "Member Led Training" (MLT) peer training, which is provided by our beneficiaries or "members", has begun its next phase with co-design groups and has lined up two pilot training events. We are also working closely with NHS partners to support the development of accessible services for people with brain injuries.

Casework Service

We've increased our reach and welcomed a new full-time caseworker. With generous funding from BBK and the National Lottery Community Fund, we're building capacity and expanding support across hospitals. Our support groups continue to grow in popularity, and we're working closely with domestic violence charities to better meet members' needs. Staff shortages have posed challenges, but with positions now filled we can work to reduce the waiting list and strengthen hospital relationships.

Finance

We built a strong financial foundation this year with a healthy cash reserve, better debt recovery, and real-time reporting including a detailed restricted fund analysis. The focus now is on refining our purchase order system, refreshing our chart of accounts, and improving accessibility to financial tools.

Admin & Facilities

The team oversaw upgrades to heating and lighting, supported events, and helped achieve the kitchen's 5-star hygiene rating. Referrals and data processing have improved, and we are preparing for a major IT upgrade in April. A new caretaker has been recruited from our volunteer base, adding valuable lived experience to our team.

S Edwards

G Hodgson (Chair)

A Kershberg

P Stanford

T Russell

T Sneath

M Samwell

S Hayward

(Appointed 19 September 2024)

(Appointed 19 September 2024)

HEADWAY EAST LONDON

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HEADWAY EAST LONDON

Opinion

We have audited the financial statements of Headway East London (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 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 trustees' report has been prepared in accordance with applicable legal requirements.

HEADWAY EAST LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HEADWAY EAST LONDON

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees report. We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 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; 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.
- 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

HEADWAY EAST LONDON

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

Explanation as to the extent to which the audit was considered capable of detecting irregularities, including fraud

From the preliminary stage of the audit, we ensure our understanding of the entity is up to date. This includes, but is not limited to, current knowledge of their activities, the business and control environments, and their compliance with the applicable legal and regulatory frameworks. This information supports our risk identification and the subsequent design of audit procedures to mitigate those risks; ensuring that the audit evidence obtained is sufficient and appropriate to support our opinion.

In response to the risks identified, specific to this entity, we designed procedures which included, but were not limited to:

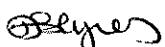
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance, if available;
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions. There is always the unavoidable risks that material misstatements in the financial statements may not be detected despite the audit being properly performed in accordance with UK Auditing standards.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



David Hynes (Senior Statutory Auditor)

.....17/12/2025

For and on behalf of BK Plus Audit Limited

Oakingham House
Frederick Place
High Wycombe
Buckinghamshire
HP11 1JU

HEADWAY EAST LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

Current financial year

| | Notes | Unrestricted funds 2025 | Restricted funds 2025 | Total 2025 | Total 2024 |
|---|-------|-------------------------------|-----------------------------|------------------|------------------|
| <u>Income from:</u> | | | | | |
| Donations and legacies | 3 | 101,692 | 459,054 | 560,746 | 479,963 |
| Charitable activities | 4 | 1,893,073 | - | 1,893,073 | 1,748,461 |
| Other trading activities | 5 | 21,432 | - | 21,432 | 13,708 |
| Investments | 6 | 6,128 | - | 6,128 | 3,175 |
| Total income | | 2,022,325 | 459,054 | 2,481,379 | 2,245,307 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 7 | 80,452 | - | 80,452 | 154,405 |
| Charitable activities | 8 | 1,869,721 | 468,812 | 2,338,533 | 2,156,613 |
| Total expenditure | | 1,950,173 | 468,812 | 2,418,985 | 2,311,018 |
| Net income/(expenditure) for the year/ Net movement in funds | | 72,152 | (9,758) | 62,394 | (65,711) |
| Fund balances at 1 April 2024 | | 490,026 | 39,566 | 529,592 | 595,303 |
| Fund balances at 31 March 2025 | | 562,178 | 29,808 | 591,986 | 529,592 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

HEADWAY EAST LONDON

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year

| | Notes | Unrestricted funds 2024 | Restricted funds 2024 | Total 2024 |
|---|-------|-------------------------------|-----------------------------|------------------|
| <u>Income from:</u> | | | | |
| Donations and legacies | 3 | 96,426 | 383,537 | 479,963 |
| Charitable activities | 4 | 1,748,461 | - | 1,748,461 |
| Other trading activities | 5 | 13,708 | - | 13,708 |
| Investments | 6 | 3,175 | - | 3,175 |
| Total income | | 1,861,770 | 383,537 | 2,245,307 |
| <u>Expenditure on:</u> | | | | |
| Raising funds | 7 | 154,405 | - | 154,405 |
| Charitable activities | 8 | 1,718,254 | 438,359 | 2,156,613 |
| Total expenditure | | 1,872,659 | 438,359 | 2,311,018 |
| Net (expenditure)/income for the year/ | | | | |
| Net movement in funds | | (10,889) | (54,822) | (65,711) |
| Fund balances at 1 April 2023 | | 500,915 | 94,388 | 595,303 |
| Fund balances at 31 March 2024 | | 490,026 | 39,566 | 529,592 |

HEADWAY EAST LONDON

BALANCE SHEET

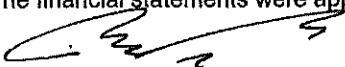
AS AT 31 MARCH 2025

| | Notes | 2025 | 2024 |
|--|-------|-----------|-----------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 15 | 69,435 | 81,706 |
| Current assets | | | |
| Debtors | 16 | 317,639 | 350,979 |
| Cash at bank and in hand | | 628,708 | 290,247 |
| | | 946,347 | 641,226 |
| Creditors: amounts falling due within one year | 17 | (423,796) | (193,340) |
| Net current assets | | 522,551 | 447,886 |
| Total assets less current liabilities | | 591,986 | 529,592 |
| Income funds | | | |
| Restricted funds | | 29,808 | 39,566 |
| Unrestricted funds | | 562,178 | 490,026 |
| | | 591,986 | 529,592 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The financial statements were approved by the Trustees on 16/12/25


T Russell
Trustee

Company registration number 03998925

HEADWAY EAST LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

| | Note | 2025 £ | 2024 £ |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Cash generated from/(absorbed by) operations | 23 | 342,795 | (97,280) |
| Investing activities | | | |
| Purchase of tangible fixed assets | | (10,727) | (7,637) |
| Investment income received | | 6,128 | 3,175 |
| Net cash used in investing activities | | (4,599) | (4,462) |
| Net cash used in financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | 338,196 | (101,742) |
| Cash and cash equivalents at beginning of year | | 290,247 | 391,989 |
| Cash and cash equivalents at end of year | | <u>628,443</u> | <u>290,247</u> |
| Relating to: | | | |
| Cash at bank and in hand | | 628,708 | 290,247 |
| Bank overdrafts included in creditors payable within one year | | (265) | - |
| | | <u>628,443</u> | <u>290,247</u> |

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

1.6 Tangible fixed assets

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

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

| | |
|-----------------------------|----------------------------|
| Freehold land and buildings | Over the life of the lease |
| Plant and equipment | 25% straight line |
| Fixtures and fittings | 25% straight line |
| Computers | 25% straight line |

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Bad debt provision

The trustees assess the recoverability of trade receivables at each reporting date and recognise a provision for impairment where there is objective evidence that the full amount may not be recoverable. The trustees make their assessment on the basis of past experience and specific circumstances affecting individual debtors. The trustees believe the provision for bad debts recognised within the financial statements is appropriate at the reporting date.

Depreciation

The estimated useful lives and residual values of tangible assets are reviewed annually, considering factors such as technological advancements, changes in market demand, and expected usage. Depreciation methods and rates applied reflect management's best estimates of how the asset's economic benefits will be consumed. Changes to these assumptions could result in material differences in depreciation expense recognised in future periods.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2025 £ | 2025 £ | 2025 £ | 2024 £ | 2024 £ | 2024 £ |
| Donations and gifts | 580 | 21,207 | 21,787 | 58,892 | - | 58,892 |
| Grants | 69,485 | 430,425 | 499,910 | 4,820 | 383,537 | 388,357 |
| Other | 31,627 | 7,422 | 39,049 | 32,714 | - | 32,714 |
| | <hr/> <hr/> <hr/> <hr/> <hr/> |
| | 101,692 | 459,054 | 560,746 | 96,426 | 383,537 | 479,963 |
| | <hr/> <hr/> <hr/> <hr/> <hr/> |

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Charitable activities

For the year ended 31 March 2025

| | Fee income 2025 £ | Transport income 2025 £ | CSW services 2025 £ | Therapies 2025 £ | Total 2025 £ | Total 2024 £ |
|---------------------------------------|-------------------------|----------------------------------|---------------------------|------------------------|--------------------|--------------------|
| Sales within charitable activities | 1,158,810 ===== | 285,140 ===== | 328,891 ===== | 120,232 ===== | 1,893,073 ===== | 1,748,461 ===== |

For the year ended 31 March 2024

| | Fee income £ | Transport income £ | CSW services £ | Therapies £ | Total 2024 £ |
|------------------------------------|--------------------|--------------------------|-------------------|------------------|--------------------|
| Sales within charitable activities | 1,091,212 ===== | 217,316 ===== | 311,579 ===== | 128,354 ===== | 1,748,461 ===== |

5 Income from other trading activities

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|--------------------|------------------------------------|------------------------------------|
| Fundraising events | 21,432 ===== | 13,708 ===== |

6 Income from investments

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | 6,128 ===== | 3,175 ===== |

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7 Raising funds

| | Unrestricted funds | Unrestricted funds |
|----------------------------------|--------------------|--------------------|
| | 2025 | 2024 |
| | £ | £ |
| Fundraising and publicity | | |
| Premises and office costs | 5,652 | 51,544 |
| Projects costs | 575 | - |
| Communications costs | 290 | - |
| Legal and professional costs | 300 | - |
| Staff costs | 73,635 | 102,861 |
| Fundraising and publicity | 80,452 | 154,405 |

8 Expenditure on charitable activities

| | Charitable expenditure | Charitable expenditure |
|------------------------------|------------------------|------------------------|
| | 2025 | 2024 |
| | £ | £ |
| Direct costs | | |
| Staff costs | 1,385,719 | 1,274,310 |
| Depreciation | 8,038 | - |
| Contractors | 12,225 | 69,705 |
| Premises and office costs | 214,890 | 243,421 |
| Service transport costs | 264,042 | 209,185 |
| Legal and professional costs | 3,800 | - |
| Communication costs | 11,682 | 30,579 |
| Other costs | - | 15,101 |
| Public engagements costs | 65,629 | - |
| Members' activities | - | 22,919 |
| Project costs | 58,301 | - |
| | 2,024,326 | 1,865,220 |

Share of support and governance costs (see note 9)

| | | |
|------------|-----------|-----------|
| Support | 261,861 | 249,744 |
| Governance | 52,346 | 41,649 |
| | 2,338,533 | 2,156,613 |

Analysis by fund

| | | |
|--------------------|-----------|-----------|
| Unrestricted funds | 1,869,721 | 1,718,254 |
| Restricted funds | 468,812 | 438,359 |
| | 2,338,533 | 2,156,613 |

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Net movement in funds

The net movement in funds is stated after charging/(crediting):

Fees payable to the charity's auditor:

- fees payable to the charity's auditor

- for other financial services

Depreciation of owned tangible fixed assets

11 Auditor's remuneration

Fees payable to the charity's auditor and associates:

2025 2024
£ £

For audit services

Audit of the financial statements of the charity

7,100 6,750

For other services

All other non-audit services

5,700 5,100

12 Trustees

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

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Employees

The average monthly number of employees during the year was:

| | 2025 Number | 2024 Number |
|--------------|----------------|----------------|
| Part-time | 31 | 30 |
| Full-time | 20 | 20 |
| Casual | 4 | 3 |
| Total | 55 | 53 |

| Employment costs | 2025 £ | 2024 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,349,837 | 1,351,142 |
| Social security costs | 108,265 | 117,648 |
| Other pension costs | 99,271 | 93,664 |
| Total | 1,557,373 | 1,562,454 |

The average number of full time equivalent employees for the year was 25 (2024: 27).

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

| | 2025 Number | 2024 Number |
|--|----------------|----------------|
| | 1 | 1 |

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Tangible fixed assets

| | Freehold land and buildings | Plant and equipment | Fixtures and fittings | Computers | Total |
|------------------------------------|--------------------------------|------------------------|--------------------------|-----------|---------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2024 | 380,876 | 71,853 | 12,059 | 48,496 | 513,284 |
| Additions | 1,732 | 1,689 | 7,306 | - | 10,727 |
| At 31 March 2025 | 382,608 | 73,542 | 19,365 | 48,496 | 524,011 |
| Depreciation and impairment | | | | | |
| At 1 April 2024 | 315,259 | 60,565 | 12,059 | 43,695 | 431,578 |
| Depreciation charged in the year | 15,076 | 4,843 | 288 | 2,791 | 22,998 |
| At 31 March 2025 | 330,335 | 65,408 | 12,347 | 46,486 | 454,576 |
| Carrying amount | | | | | |
| At 31 March 2025 | 52,273 | 8,134 | 7,018 | 2,010 | 69,435 |
| At 31 March 2024 | 65,617 | 11,288 | - | 4,801 | 81,706 |

16 Debtors

| | 2025 | 2024 |
|---|---------|---------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 211,163 | 118,593 |
| Other debtors | 17,500 | 17,500 |
| Prepayments and accrued income | 88,976 | 214,886 |
| | 317,639 | 350,979 |

17 Creditors: amounts falling due within one year

| | 2025 | 2024 |
|------------------------------------|---------|---------|
| | £ | £ |
| Bank overdrafts | | |
| Bank overdrafts | 265 | - |
| Other taxation and social security | 24,461 | 28,088 |
| Deferred income | 166,010 | - |
| Trade creditors | 93,239 | 93,129 |
| Other creditors | 3,622 | 2,904 |
| Accruals | 136,199 | 69,219 |
| | 423,796 | 193,340 |

Bank overdrafts above are secured by way of a charge over the assets of the charity.

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

18 Retirement benefit schemes

| | 2025 | 2024 |
|---|--------|--------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 99,271 | 93,664 |

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

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 April 2024 | Incoming resources | Resources expended | At 31 March 2025 |
|-----------------------|----------------------------|-------------------------------|-------------------------------|-----------------------------|
| | £ | £ | £ | £ |
| General funds | 490,026 | 2,022,325 | (1,950,173) | 562,178 |
| | ===== | ===== | ===== | ===== |
| Previous year: | At 1 April 2023 | Incoming resources | Resources expended | At 31 March 2024 |
| General funds | 500,915 | 1,861,770 | (1,872,659) | 490,026 |
| | ===== | ===== | ===== | ===== |

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

| 20 | Analysis of net assets between funds | Unrestricted funds | | Designated funds | | Restricted funds | | Designated funds | | Restricted funds | | Total |
|--|--------------------------------------|--------------------|-------|------------------|--------|------------------|---------|------------------|--------|------------------|-------|-------|
| | | 2025 | £ | 2025 | £ | 2025 | £ | 2024 | £ | 2024 | £ | |
| Fund balances at 31 March 2025 are represented by: | | | | | | | | | | | | |
| | Tangible assets | 45,051 | | - | 24,384 | 69,435 | 49,573 | - | 32,133 | 81,706 | | |
| | Current assets | 147,527 | | 369,600 | 5,424 | 522,551 | 70,853 | 369,600 | 7,433 | 447,886 | | |
| | | 192,578 | | 369,600 | 29,808 | 591,986 | 120,426 | 369,600 | 39,566 | 529,592 | | |
| | | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

HEADWAY EAST LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Operating lease commitments

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

| | 2025 £ | 2024 £ |
|----------------------------|-----------|-----------|
| Within one year | 90,000 | 90,000 |
| Between two and five years | 174,167 | 264,167 |
| | <hr/> | <hr/> |
| | 264,167 | 354,167 |
| | <hr/> | <hr/> |

22 Related party transactions

The charity received donations from its trustees and other related parties during the year which totalled £180 (2024: £180)

23 Cash generated from operations

2025
£

| | | |
|---|----------------|-----------------|
| Surplus/(deficit) for the year | 62,394 | (65,711) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (6,128) | (3,175) |
| Depreciation and impairment of tangible fixed assets | 22,998 | 21,932 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 33,340 | (127,804) |
| Increase in creditors | 64,181 | 77,478 |
| Increase in deferred income | 166,010 | - |
| Cash generated from/(absorbed by) operations | 342,795 | (97,280) |
| | <hr/> | <hr/> |