

Charity Number: 1025852

Company Number: 2346893

Office of Scottish Charity Regulator Number: SC039992



the brain injury association

(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

Headway – the brain injury association

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Report of the Trustees for the year ending 31 December 2020

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 December 2020.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

Strategic report

Objectives and activities

The charity's mission is to promote understanding of all aspects of brain injury and provide information, support and services to survivors, their families and carers.

Headway's objectives are:

- to increase awareness and understanding of brain injury and its consequences;
- to initiate activities and campaigns that will reduce the incidence of brain injury;
- to provide information and support for people with brain injuries, their relatives, carers and concerned professional people;
- to promote improved approaches to brain injury screening, acute care, assessment, rehabilitation and community reintegration;
- to assist people with brain injuries to return to community living, including access to appropriate accommodation, social outlets and productive activity; and
- to support and help to establish Headway groups throughout the UK in furtherance of the charity's mission statement and encourage them to address the needs of all sections of the community.

The Trustees believe that by realising these objectives the charity will achieve the legal purposes for which it was established namely: to promote understanding of all aspects of brain injury and provide information, support and services to survivors, their families and carers.

Throughout the Covid-19 pandemic, the impact of which is detailed later in this document, the charity prioritised frontline services such as the helpline, Emergency Fund and support to the network of Headway groups and branches. This ensured that despite the significant pressures brought to bear upon the charity by the pandemic, brain injury survivors and carers were not without support.

The short-term priority as the public health crisis recedes will be to apply the lessons learned from the pandemic and review the way we work as we build back better and protect the future of the charity. The long-term objective of the charity remains unchanged: to improve the lives of people affected by brain injury through the provision of services and support.

Headway – the brain injury association

Report of the Trustees For the year ended 31 December 2020

This means the charity will continue to provide grants via the Emergency Fund to families struggling to cope with the financial implications of brain injury; high-quality, award-winning information will still be made available free-of-charge to survivors, carers and professionals via the website; and the helpline will continue to offer a listening ear and signposting service to those who need support.

We will continue to develop important schemes such as the Approved Provider project, an accreditation scheme for residential care units specialising in the support and rehabilitation of patients with acquired brain injury. We will also campaign and lobby for improved access to specialist rehabilitation services and the prevention of brain injury.

Frontline services provided by Headway – the brain injury association include but are not limited to:

- a free-to-access award-winning range of publications designed to help people understand and cope with the effects of brain injury;
- a comprehensive and award-winning website providing information and support on all aspects of acquired brain injury;
- the Emergency Fund, which provides financial support to families in the aftermath of a brain injury;
- a freephone nurse-led helpline providing confidential support and information to anyone affected by brain injury as well as professionals working in health or social care settings;
- the Justice Project, which provides assistance to survivors of a brain injury who come into contact with the criminal justice system; and
- support and guidance to a network of 120 groups and branches providing local services across the UK.

How do we measure success?

We measure success by accurately monitoring the number of people accessing our services. This includes analysing the number of people visiting our website, downloading our publications, calling the helpline or applying for Emergency Fund grants or Brain Injury Identity Cards.

Qualitative feedback is also taken into account, with the board reviewing positive and negative feedback and complaints on a quarterly basis.

Public benefit

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims, objectives and operations. They are of the opinion that the provision of the range of services offered enables Headway to meet its obligation to provide public benefit.

Achievements and performance

After a sustained period of growth, Headway – like many charities and organisations – faced unprecedented challenges in 2020 as a result of the Covid-19 pandemic. In April 2020, it became clear that the pandemic would cause a significant reduction in the income of the charity. To ensure

the charity's survival, the trustees swiftly implemented a number of cost-saving measures, including a review of all expenditure and a freeze on all salaries and recruitment.

With the introduction of the government's Coronavirus Job Retention Scheme (CJRS), 97 staff were furloughed. The charity also made the difficult decision to reduce expenditure through redundancies.

These measures, coupled with the board's prudent reserves policy over many years and income secured from the taxpayer via the Retail, Hospitality and Leisure Grants scheme and other grants, enabled the charity to avoid financial catastrophe and continue to support vulnerable brain injury survivors and carers throughout the public health crisis.

We were also indebted to our incredible community fundraisers who took on virtual challenges to raise money for the charity during the various lockdowns.

The reduction in staffing levels meant that many staff members were asked to take on additional roles and responsibilities. The board of trustees has expressed its sincere thanks to the staff for their hard work and commitment during this difficult time.

Performance in all frontline services has consistently risen in recent years. However, the Covid-19 pandemic resulted in significant disruption to many of these services.

Support to groups and branches

Headway's priority has always been to support vulnerable brain injury survivors and carers and those that support them. This did not change with the emergence of Covid-19. It is for this reason that no member of the network support team, which provides guidance and assistance to Headway groups and branches across the UK, was furloughed.

The findings of our own research, published in May 2020, identified that 65% of brain injury survivors felt isolated as a result of lockdown, with 62% fearing for their futures.

Headway groups and branches faced unprecedented challenges in supporting vulnerable adults during lockdown at a time when they were facing financial uncertainty and staffing issues due to reductions in income streams. The intense support provided to groups and branches by the network support team included guidance on matters relating to insurance and furlough rules, the provision of regular online meetings to share best practice around the network, and assistance with the creation of virtual support sessions delivered via Zoom.

As the year progressed, the support provided by the team evolved into guiding and assisting groups and branches prepare for the safe re-opening of face-to-face services in accordance with local and national public health guidance and with an abundance of caution.

Helpline

The Headway helpline answered 10,642 during 2020 – a 5% decrease on the number answered in 2019 (11,216). This reduction is despite a record number of enquiries being answered in January and February of 2020, highlighting the impact of the pandemic.

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Report of the Trustees For the year ended 31 December 2020

In March 2020, lockdown measures were implemented in the UK. The expectation was that social isolation and difficulties accessing support would lead to an increase in calls to the helpline. However, enquiries to the service fell significantly with immediate effect, with quarter two figures the lowest recorded since 2015.

Call volume gradually increased throughout the year, with the total number of enquiries answered throughout 2020 the fourth highest recorded.

Emergency Fund

Covid-19 also impacted demand for the Emergency Fund, with hospitals placing restrictions on family members visiting loved ones in hospital.

In 2019, 77% of grants supported families with emergency accommodation and travel to hospitals. The number of such applications numbers halved in 2020.

By the end of 2020, the fund had distributed almost £425,000 to 2,078 families, with grants totalling £26,000 given to those in need during the year. Many applications in 2020 related to the impact of the pandemic, either through the cause of an injury or a loss of income. The support of the Emergency Fund has remained critical for those whose lives have been turned upside by brain injury.

The fund continues to be generously supported by The Stewarts Foundation. Partnerships with a number of travel providers have also helped us secure additional free or discounted travel for Emergency Fund applicants.

Justice Project

Headway's Justice Project continued its work to improve understanding and awareness of brain injury within the criminal justice system in 2020. In early 2020, we began delivering training to all Metropolitan Police custody staff, conducting three out of eight scheduled sessions before the remaining sessions were cancelled due to the pandemic.

The charity was also contracted by NHS England to deliver a 'train the trainer' programme to prison and probation staff across the country to raise awareness of ABI across this integral part of the criminal justice system.

The Brain Injury Identity Card continues to prove its value to thousands of survivors, both in the criminal justice settings and in a multitude of different social scenarios. While the widespread impact of the pandemic led to a decline in the number of applications made for the ID card in 2020, more than 1,200 ID cards were issued during the course of the year, bringing the total number of card holders to 8,184.

Publications and resources

Headway remains proud of the high-quality information it provides free-of-charge to brain injury survivors, carers and professionals working to support them.

A total of 81,000 factsheets and e-booklets were download from the charity's website during the course of the year, a small reduction on the previous year as a result of the decreased demand seen in other areas of the charity's work. Two new factsheets, *Visual problems after brain injury* and *Concussion in the workplace*, were published in 2020, the latter as part of a campaign to increase awareness of concussion within the construction industry.

Digital

Visits to Headway's websites totalled 1,194,809 in 2020. The main website (www.headway.org.uk), which is highly commended by the British Medical Association, accounts for the vast majority of these visits (94.6%).

The remaining visits were recorded on the charity's online shop, its *In Memory* site and the *I'm calling about Chris* website, the charity's free resource designed to help ease the burden of keeping friends and family members informed about the condition of a loved one in the acute stage of care following an acquired brain injury.

This cumulative total is the second highest figure on record. Nevertheless, it represents a decline of 13% on 2019.

Website traffic growth plateaued at the beginning of 2020 following a Google Search update that targeted health-related websites. This was followed by a sharp reduction in traffic in March as the Covid-19 pandemic took hold.

The charity's social media presence increased in 2020, with the highest growth on Instagram and LinkedIn.

Campaigns and awareness

The communications department performed exceptionally well during 2020 in terms of securing UK-wide press coverage and supporting groups and branches do likewise in the face of a significant reduction in staffing levels within the team.

Reinforcing the charity's position as the voice of authority on all matters relating to the effects and prevention of brain injury, Headway spokespeople or statements featured on 21 UK-wide television programmes and many more regional news channels. In addition, the charity was interviewed on national and regional radio, making regular contributions to Radio 4, Radio 5Live, and TalkSport.

Concussion in sport was the most common topic the charity was asked to comment on, however high-profile coverage was also secured on ITV's *This Morning* regarding the need for helmets to be used on e-scooters, a feature on post-concussion syndrome on BBC Radio 4's *Women's Hour*, and a cycle helmet feature on BBC 1's *Crimewatch* programme.

Broadcast coverage was supplemented by regular high-profile mentions in all major UK-wide newspapers and online websites throughout the year.

Action for Brain Injury Week, which normally takes place in May, was pushed back to October 2020 due to the pandemic.

The campaign, entitled *Memory loss: A campaign to remember*, focused on the results of a survey of more than 2,000 brain injury survivors, 85% of whom stated that memory problems have a negative impact on their lives. It included an animation created to explain the impact memory loss can have on people's everyday lives.

A press release based on the survey findings, along with personal testimonies, helped the charity to generate 70 pieces of press coverage during the week, including two articles on national newspaper websites. The total reach for coverage during the week was 5.1 million.

Public affairs

Despite the political landscape in 2020 being dominated by the pandemic, Headway continued to raise awareness and promote the interests of brain injury survivors and their families with parliamentarians and civil servants.

In February, Chris Bryant MP, a Headway Parliamentary Champion, called a debate in Parliament on acquired brain injury, during which there were 25 mentions of Headway, including specific groups and branches.

In the debate, Sharon Hodgson, MP Washington and Sunderland West (Labour), said: "I give special thanks to Headway Wearside, which goes above and beyond for people in my region in the north-east, especially for people in my constituency. Headway Wearside has given me a lot of help over the years with constituents."

The Minister for Care, Caroline Dinenage (Conservative), said: "I have had quite a long-standing involvement with Headway in my region of Portsmouth and Gosport.

"They are remarkable and offer the most fantastic support to people in my area. They certainly make a difference to people's lives and they are so inspiring."

Significant support was provided to Headway groups and branches in securing grant funding to help them financially through the pandemic. A number of groups were supported in making applications for grants from their local authorities. This included asking an MP to make a referral on behalf of a group in their constituency for a grant from a private energy company.

Continuing Headway's work on road safety, contact was made with Peter Bone MP's office regarding his Private Members' Bill on cycle safety, which would compel under 16s to wear a helmet when cycling on a public highway. We have also fed back concerns to the Department for Transport regarding the trials of electronic scooters and highlighted the need for those trials to be conducted as safely as possible, with helmet use mandated.

The charity consulted with a series of government departments regarding issues important to brain injury survivors as well as issues relating to brain injury prevention. These included responding to a consultation hosted by the Department for Digital, Culture, Media and Sport regarding the Government's 'levelling up agenda' and how charities can be best supported. We also wrote a further submission on this topic of the Welsh Parliament.

We also worked with the Department for Environment, Food and Rural Affairs to look at how vulnerable and disabled people could ensure they have access to food and other essentials during the various periods of national lockdown.

Fundraising

As previously highlighted, fundraising was exceptionally challenging in 2020. We were required to close our 29 retail units for many months, resulting in an overall loss of budgeted sales totalling £1,295,239.

Other fundraising income streams involving face-to-face contact were also hit extremely hard. Organised events such as the London Marathon and Great North Run, as well as numerous treks and challenges, were cancelled. We were unable to hold the Headway Annual Awards or our annual conference, while Charity of the Year adoptions and corporate giving largely ceased as companies faced their own pressures.

The combined loss of fundraising income to the charity in 2020 was approximately £1.765m. A proportion of these losses were mitigated by financial assistance from the taxpayer in the form of furlough payments and the Retail, Hospitality and Leisure Grant scheme.

The hard work of our fundraising team resulted in additional income from grants and innovative virtual challenge events completed by our incredibly generous and inspiring community fundraisers. Supporters are very important to us and the trustees take their responsibility in respect of all fundraising activities very seriously.

The trustees fully support the voluntary scheme put in place by the Management Team for regulating fundraising activities and monitoring compliance with the regulations outlined by the Institute of Fundraising. Headway also upholds a code of practice within the fundraising team to protect the public and vulnerable members of our society from unreasonable intrusion, unreasonably persistent approaches and undue pressure to give in accordance with the Protection and Social Investment Act 2016.

All fundraising activities were monitored throughout the year by way of regular meetings between the fundraising team and the Chief Executive. Three complaints were received during the year in respect of any fundraising activities and were reported to the board of trustees in accordance with procedure. Each complaint was investigated, and action taken where appropriate.

Volunteers

The charity's success over the years has been underpinned by hundreds of dedicated volunteers. Opportunities to provide voluntary support to our retail team were limited in 2020 due to the enforced closure of our shops for much of the year. However, the support of this selfless team of volunteers was very much needed and appreciated when the shops could eventually re-open their doors.

A special mention must go to Headway group and branch volunteers who went to extraordinary lengths to ensure vulnerable brain injury survivors received support during the various lockdowns. This help ranged from doing their shopping or collecting medication, to providing activities, running

weekly virtual meetings via Zoom or making regular welfare calls. We remain extremely grateful to everyone who has freely given of their time to help the charity.

Future plans

The charity will continue to work towards achieving the aims set out in its business plan, including:

- Support the maximum number of families via our freephone nurse-led helpline.
- Support its network of groups and branches in the deliverance of local support and rehabilitation services.
- Support families in need of urgent financial assistance in the immediate aftermath of acquired brain injury via the Emergency Fund.
- Develop its Justice Project by working closely with agencies within the criminal justice system and continue to issue Brain Injury Identity Cards to support survivors who come into contact with the criminal justice system.
- Develop its information provision through the production and revision of high-quality booklets and factsheets, consulting closely with other agencies and service users to identify topics for new publications and seeking the voluntary support of third-party experts in the drafting of booklets.
- Develop its digital and online resources with particular focus on its social media communities.
- Initiate campaigns to increase awareness and understanding of acquired brain injury, improve service provision for those affected, and reduce the incidence of brain injury.
- Identify appropriate opportunities to increase its chain of retail units that not only generate vital income to support the charity's activities, but also act as information hubs for the general public.
- Fundraise in accordance with our fundraising principles, at the heart of which is respect for donors, in order to achieve of the charity's objectives.
- Maintain and develop links with international organisations with the intention of contributing to and learning from organisations with similar objectives to Headway.

Engagement with stakeholders, including brain injury survivors, carers, family members and Headway groups and branches, and experience gained from running projects will continue to shape the delivery of services. This will ensure that the charity's limited resources are used in the most effective way.

Financial review

The statement of financial affairs provides a detailed picture of the financial performance of the charity in 2020. It has been the most difficult year in the history of the charity. The details of our financial performance can be found on pages 21 and 22. Copies of the consolidated statement of financial activities and balance sheet are available in larger print on request.

Our 2020 financial reports and accounts have been prepared under the conditions set out by the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reserves policy

The impact of the 2020 results on our balance sheet is to increase reserves from £3,733,962 on the restated 2019 balance sheet to £3,969,861. This may create the misleading impression that the charity has excessive funds at its disposal. A detailed analysis of our reserves shows that £507,954 (12.80% of funds held) is held as restricted funds on behalf of Headway branches and £231,251 (5.83% of funds held) is held in other restricted funds and cannot be used for purposes other than that for which the funds were donated. This leaves unrestricted funds of £3,230,661 (81.38% of funds held), of which £2,465,923 (62.12% of funds held) are not required to support tangible fixed assets and can be used for general charitable purposes. After taking into account all requirements for holding reserves, including the leasehold obligations associated with shops and the cyclical nature of cash flow placing higher demands on reserves during the first three quarters of the year, and the impact of the Covid-19 pandemic on regular income streams, the amounts of unrestricted reserves is considered to be both reasonable and prudent by the Trustees.

Investment policy

Traditionally, the charity held a high proportion of its reserves in liquid form. However, the acquisition of the charity's premises in Nottingham in 2009 and legacies received, which included property, have changed the balance of its portfolio. The Trustees have made the decision to appoint financial advisors to maximise returns on the charity's investments whilst maintaining the security of its funds. The funds are not considered excessive in the context of total expenditure, yet they are available and adequate to fulfil the charity's obligations. The Reserves and Investment policies continue to be reviewed regularly and require the charity to maintain sufficient assets to cover operating costs and maximise the return on the charity's investments.

Structure, governance and management

i. Governing document

Headway – the brain injury association is a company limited by guarantee governed by its Memorandum and Articles of Association (dated 13 February 1989 as amended by Special Resolutions dated 2 October 1999, 6 October 2001, 11 October 2003 and 6 July 2008). It is registered as a charity with the Charity Commission and the Office of the Scottish Regulator (OSCR). In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

In response to the pandemic Headway was forced to postpone its AGM using the emergency legislation provisions under the Corporate Insolvency and Governance Act 2020. This prompted a review of the Governing document to enable the charity to conduct virtual general meetings in the future.

ii. Tax status

The company is a registered charity, number 1025852, and is exempt from corporation tax and income tax.

iii. Capacity of Trustees

All members of the Board of Trustees exercise their authority in their capacity as directors under relevant company legislation and as Trustees of the charity. Given the company's charitable status, the term 'Trustee' rather than 'director' has been used throughout this document.

iv. Appointment of Trustees

In accordance with the Article of Association, one third of the Trustees retire by rotation each year. This provides the members of the charity the opportunity to refresh the Board should it wish to do so using the democratic process. Any member entitled to vote at the general meeting may propose one person for appointment or re-appointment as a Trustee. The number of elected Trustees shall not be less than three and subject to a maximum of 12. The elected Trustees may co-opt a maximum of up to one half of their number as Trustees. Headway does not impose limits on the time that Trustees may serve as such time limits would weaken the Board through the loss of Trustees with appropriate skills and experience. This matter has been the subject of extensive debate within the organisation and members reached the conclusion that this was not in the interests of the charity.

v. Trustee induction and training

New Trustees undergo a comprehensive induction to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the structure and governance of the charity as well as all policies and procedures, their obligations under the Trustees Code of Conduct, the business plan and budget together with recent financial performance. Trustees are also provided with relevant information from the Charity Commission on a regular basis. The Trustees have agreed to undertake periodic training on diversity.

vi. Organisation

The Board of Trustees, which meets quarterly, governs the charity. The Board is supported by committees where matters regarding development, membership and audit are considered in detail. A Chief Executive is appointed by the Trustees to manage the day-to-day activities of the charity. To facilitate effective operations the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and provision of services.

vii. Related parties/Register of interests

The charity has a well-established network of branches and affiliated groups around the country. Collaborative work is undertaken with other brain injury related organisations as well as a wide range of healthcare charities and voluntary sector organisations to raise awareness and share good practice. The charity has in place a system by which senior staff and Trustees are required to make annual declarations of interest which record related party

transactions. In the interests of transparency these are published on the Headway website. There are no material disclosures for 2020.

viii. Risk management

The Trustees have a risk management strategy, which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the annual review of risks; and
- the implementation of procedures designed to minimise any potential impact on the charity should the identified risks materialise.

Through the risk management processes established for the charity, the Trustees are satisfied that any major risks identified have been adequately mitigated where necessary. It is recognised that the systems in place can only provide reasonable but not absolute assurance that all major risks have been adequately managed. For example, the risks created by the global pandemic could not have been predicted.

The following risks have been identified:

- The Trustees have recognised that the reputation of the whole Headway movement could be damaged by adverse media coverage. This risk is mitigated by regularly reviewing the charity's Rules of Affiliation and closer scrutiny of the governance and finances of the local network.
- As a charity supporting vulnerable adults, there is a risk that service users could be harmed. This risk has been mitigated by the introduction of Service Standards and closer scrutiny of the Headway network.
- The Trustees have recognised that trustees within the Headway network may not be sufficiently aware of their responsibilities. This risk is mitigated by comprehensive induction sessions for new trustees.
- The Trustees recognise that changes in local government funding could have an impact on the financial viability of Headway groups. This risk is mitigated by closely monitoring the finances of our local groups and encouraging the development of relationships with key decision makers and funders.
- Headway continues to review its insurance requirements to ensure that appropriate cover is available to all participating groups and branches at a cost-effective price. It will continue to work closely with its branches to ensure adequate financial controls are in place and that operational needs are regularly reviewed.
- In addition, the Trustees identified a number of new risks directly related to the pandemic. These included financial and HR risks.

ix. Pay policy for senior staff

The Trustees consider that along with the Board of Trustees, the senior management team (comprising the Chief Executive, Deputy Chief Executive, Director of Services, Director of

Communications, Director of Fundraising, and Director of Finance and Administration) comprises the key personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustees received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 9 and note 21 to the accounts. The pay of senior management staff is reviewed annually and reflects performance. The Trustees have established a Remuneration Committee to ensure that appropriate remuneration arrangements for senior staff are in place.

x. Group and branch structure

As of 31 December 2020, the charity is organised into 53 local branches and 70 affiliated or associated groups. Branches operate under the registered charity number (1025852) and OSCR number (SC039992) of Headway – the brain injury association. The relationship between the charity and the branches is explained in the accounting policies note 1(j) on page 25. Groups are autonomous, independently registered charities which have agreed to work within the Rules of Affiliation. The activities of these groups, operating under their own charity registration, are not included in the financial statements.

xi. Subsidiary companies

Headway – the brain injury association holds two subsidiary companies: Headway Retail Ltd (No. 2925092) and 190 Bagnall Road Properties Ltd (No. 02451998)

Reference and administrative details

Headway – the brain injury association is registered with the Charity Commission for England and Wales (Charity No. 1025852) and the Office of the Scottish Charity Regulator (Charity No. SC 039992). Headway – the brain injury association is a company limited by guarantee registered in England (No. 2346893). The Directors of the Company are its Trustees for the purpose of charity law.

Trustees who have served during the relevant period:

Elected Trustees

Andrew Green MBE (Chair)
Evelyn Vincent (Deputy Chair)
Dr Colin Reeves CBE (Treasurer)
Allistair Renton (Company Secretary)
Jane Allberry CBE
Dr June Gilchrist
Jane Hales
Andrew Harding

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Report of the Trustees For the year ended 31 December 2020

	Rev Abraham Lawrence
	Brendan McKeever
	Dr Colin Shieff
	Dr Andy Tyerman
Co-opted Trustee	Denzil Lush
Key management personnel	Chief Executive: Peter McCabe
	Deputy Chief Executive: Luke Griggs
	Director of Finance and Administration: Ruth Ormston
	Director of Communications: Catherine Maddy (to October 2020)
	Director of Fundraising: Jo Plant (to June 2020)
	Director of Services: Dawn Wright (to March 2020)
Principal and registered office	Bradbury House 190 Bagnall Road Old Basford Nottingham NG6 8SF
Auditors	Saffery Champness LLP Westpoint Peterborough Business Park Lynch Wood, Peterborough PE2 6FZ
Bankers	Lloyds Bank Plc 12-16 Lower Parliament Street Nottingham NG1 3DA

Registered in England company number: 2346893

Charity Commission number: 1025852

Office of the Scottish Charity Regulator number: SC039992

Committees

Trustees who have served on other committees during the year are as follows:

Executive Committee	Andrew Green MBE (Chair)
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Report of the Trustees For the year ended 31 December 2020

Dr Colin Reeves CBE (Treasurer)
Allistair Renton (Company Secretary)
Evelyn Vincent (Deputy Chair)
Denzil Lush (from March 2020)

Audit Committee

Allistair Renton (Chair)
Jane Allberry CBE
Jane Hales
Rev Abraham Lawrence
Brendan McKeever
Dr Colin Reeves CBE

Membership Committee

Evelyn Vincent (Chair)
Andrew Harding
Denzil Lush
Brendan McKeever
Allistair Renton

Remuneration Committee

Andrew Green MBE (Chair)
Dr Colin Reeves CBE (Treasurer)
Allistair Renton (Company Secretary)

Statement of Trustees' responsibilities

The Trustees (who are also directors of Headway – the brain injury association for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and also with the requirements of the Statement of Recommended Practice (SORP) issued by the Charity Commission for England and

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Report of the Trustees For the year ended 31 December 2020

Wales. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

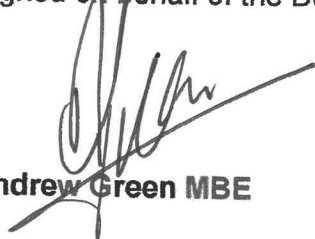
In so far as the Trustees, individually, are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' liability insurance

Headway has maintained insurance during the year for Trustees against liabilities in relation to their duties as Trustees.

Signed on behalf of the Board



Andrew Green MBE

DATE: 9th September 2021

Headway – the brain injury association

Independent auditor's report to the trustees and members For the year ended 31 December 2020

Opinion

We have audited the financial statements of Headway – the brain injury association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Balance Sheet, Consolidated Cashflow Statement 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 affairs of the group and the parent charitable company as at 31 December 2020 and of the group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 group and parent 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 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 parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Headway – the brain injury association

Independent auditor's report to the trustees and members For the year ended 31 December 2020

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 16-17, the trustees (who are also the directors of the parent charitable company for the purposes 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 the 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 parent 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 parent 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 auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Headway – the brain injury association

Independent auditor's report to the trustees and members For the year ended 31 December 2020

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is 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 collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and 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 parent charitable company, the parent charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Hill (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Westpoint
Peterborough Business Park
Lynch Wood
PE2 6FZ

Chartered Accountants

Statutory Auditors

Date: 29 September 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Headway – the brain injury association

Consolidated Statement of Financial Activities (incorporating consolidated income and expenditure account) for the year ended 31 December 2020

	Note	Unrestricted funds £	Restricted funds £	Branch funds £	Total 2020 £	Restated Total 2019 £
Income from:						
Donations and Legacies						
- Donations		636,983	750	52,327	690,060	1,149,924
- Grants	8	206,506	406,331	21,911	634,748	367,320
- Legacies		406,635	-	-	406,635	119,071
Covid-19 grants						
- Retail Grant Scheme		459,632	-	-	459,632	-
- Coronavirus Job Retentions Scheme		479,982	-	-	479,982	-
Charitable activities:						
- Training		11,711	-	-	11,711	50,251
- Services to groups & branches		202,344	-	-	202,344	176,822
- Publications and awareness		308,150	-	-	308,150	367,332
Other trading activities:						
- Sale of donated goods		1,245,538	-	-	1,245,538	2,517,308
- Sale of other merchandise & publications		16,878	-	-	16,878	12,492
- Events and conferences				14,632	14,632	233,640
Investment income	4	11,714	-	50,979	62,693	38,983
Rental income		20,017	-	-	20,017	12,639
Other incoming resources:						
- Disposal of property		-	-	-	-	2,583
Total income		4,006,090	407,081	139,849	4,553,020	5,048,365
Expenditure on:						
Raising funds:						
Fundraising	7	397,517	-	-	397,517	481,064
Retail activities	7	1,811,515	-	-	1,811,515	1,919,515
Events and conferences	7	-	-	-	-	94,876
Charitable activities:						
- Services provided		1,227,901	324,465	151,801	1,704,167	1,909,421
- Grants distributed		21,197	26,047	7,740	54,984	76,087
- Publications & awareness		330,261	-	-	330,261	536,180
Total expenditure	7	3,788,391	350,512	159,541	4,298,444	5,017,143
Net gains/(losses) on investments	11	(18,676)	-	-	(18,676)	27,006
Net income/(expenditure) before transfers between funds		199,023	56,569	(19,692)	235,900	58,228
Transfers between funds		-	-	-	-	-
Net income/(expenditure) after other gains/(losses)		199,023	56,569	(19,692)	235,900	58,228
Fund balances brought forward at 1 January 2020		3,031,638	174,682	527,642	3,733,962	3,675,734
Fund balances at 31 December 2020		3,230,661	231,251	507,950	3,969,862	3,733,962

General purpose funds and designated funds are both unrestricted funds. The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 24-36 form part of these financial statements.

Headway – the brain injury association

Balance Sheets as at 31 December 2020

	Note	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible assets	10	1,268,738	1,326,403	611,101	634,226
Investments	11	265,598	283,926	949,249	967,926
		<u>1,534,336</u>	<u>1,610,329</u>	<u>1,560,350</u>	<u>1,602,152</u>
Current assets					
Stock	12	85,406	86,417	85,406	86,417
Debtors	13	1,203,478	992,413	1,177,464	998,573
Cash at bank and in hand		<u>1,845,943</u>	<u>1,764,713</u>	<u>1,845,943</u>	<u>1,757,731</u>
		3,134,827	2,843,543	3,108,813	2,842,721
Creditors: amounts falling due within one year	14	<u>(699,302)</u>	<u>(706,483)</u>	<u>(699,302)</u>	<u>(706,483)</u>
Net current assets		2,435,525	2,137,061	2,409,511	2,136,238
Pension provision falling due after one year	15	-	(13,428)	-	(13,428)
Net assets		<u>3,969,862</u>	<u>3,733,962</u>	<u>3,969,862</u>	<u>3,724,962</u>
Funds					
Unrestricted funds					
Other designated funds	17	1,837,625	1,837,625	1,837,625	1,828,625
General funds	17	1,393,036	1,194,013	1,393,036	1,194,013
Restricted funds					
Branches	16	507,950	527,642	507,950	527,642
Other	16	231,251	174,682	231,251	174,682
Total funds		<u>3,969,862</u>	<u>3,733,962</u>	<u>3,969,862</u>	<u>3,724,962</u>

The notes on pages 24 to 36 form part of these financial statements.

Approved by the Board of Trustees on 9th September 2021
and signed on its behalf by:

Andrew Green MBE
Chair

Company Registration No: 2346893 (England and Wales)

Headway – the brain injury association

Consolidated Cashflow Statement for the year ended 31 December 2020

	Note	£	Group 2020 £	£	Group 2019 £
Net cash provided by operating activities	(i)		59,290		(301,148)
Cashflows from investing activities					
Investing activities					
Dividends and interest		62,693		38,983	
Purchase of tangible fixed assets		(40,753)		(132,986)	
Receipts from sale of fixed assets		-		2,583	
			21,940		(91,420)
Movement in cash and cash equivalents	(ii)		81,229		(392,568)

Notes to the cashflow statement

(i) Reconciliation of net income/expenditure to net cash inflow from operating activities

	Group 2020 £	Group 2019 £
Net income /(expenditure) for the reporting period (as per the statement of financial activities)	235,900	58,228
Adjustments for:		
Legacy of tangible fixed assets	-	-
Dividends and interest earned on investments	(62,693)	(38,983)
Gain on investment value	18,326	(27,006)
Depreciation of tangible fixed assets	98,418	55,703
Surplus on disposal of fixed assets	-	(2,583)
(Increase)/decrease in stock	1,011	14,609
Decrease/(increase) in debtors	(211,064)	23,733
Increase/(decrease) in creditors	(7,180)	(373,863)
Increase/(decrease) in pension provision	(13,428)	(10,986)
	59,290	(301,148)

(ii) Analysis of cash and cash equivalents

	Group 2020 £	Movement	Group 2019 £
Cash at bank	964,121	213,955	750,166
Short-term deposits	881,822	(132,726)	1,014,548
Net cash funds at 31 December 2020	1,845,943	81,229	1,764,714

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Headway – the brain injury association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

b. Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the authorising of these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

c. Basis of consolidation

i) The consolidated accounts of the group incorporate the financial statements of the charity and its trading subsidiary company, both of which were made up to 31 December 2020.

ii) The agency fee charged by the subsidiary to the charity is treated as part of shops' costs in the consolidated statement of financial activities (SOFA).

iii) The income and expenditure of the subsidiary are disclosed separately in notes 5 and 6.

iv) A separate SOFA for the charity is not provided. See note 3.

d. Taxation

Income tax recoverable in respect of donations, investment income and legacies is included under the heading to which it relates.

e. Incoming resources

i) All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is when it is probable that it will be received, and this is usually when the estate has been settled.

ii) Where the charity has been notified of material legacies that have not been included in the SOFA (because the conditions for recognition have not been met), this fact and an estimate, where possible, of the amounts receivable are disclosed in the notes to the accounts.

iii) Grants, whether attributable to unrestricted or restricted are accounted for on the basis of the amount receivable for the year.

iv) Investment income is accounted for on a receivable basis, including recoverable tax.

v) Corporate membership income is recognised in full in the year in which it is invoiced.

f. Government Grant Accounting policy

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions have been met. Where the grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability

g. Expenditure

All revenue expenditure has been dealt with through the SOFA on an accruals basis. Direct costs have been allocated to their appropriate functional headings. Indirect overheads have been apportioned to these headings on the basis of a fair estimate of time spent or resources used.

h. Governance and support costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Governance and support costs are allocated between the expenditure categories on the statement of financial activities on a basis designed to reflect the use of the resource.

i. Shops' operating costs

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

Costs incurred in acquiring shop leases and improvements thereon are written off over three years to reflect the break clause in the operating leases.

- j. **Branches and groups**
Branches in Headway are non-autonomous and operate under the Registered Charity number 1025852 in England and SC039992 in Scotland are included in full in these accounts. Groups, which operate under their own registered charity number, are not included in these accounts. The financial statements include the income and expenditure of 48 branches in existence for the year ended 31 December 2020.
- k. **Investments**
Investments in listed securities are held at fair value, deemed to be market value. Gains and losses are charged or credited to the SOFA as appropriate.
- l. **Depreciation**
Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over their expected useful life. Depreciation has been applied at the following rates:
- | | |
|-----------------------------------|--------------------|
| - Freehold property | 2% |
| - Building improvements | between 5% and 15% |
| - Office equipment and furniture | 20% |
| - Computer equipment and software | 33% |
| - Motor vehicles | 20% |
| - Shop operating costs | 33% |
- m. **Stocks**
Stocks consist of donated goods for sale through our retail outlets which are valued at an estimated net realisable. Merchandise and publications are valued at the lower of cost or net realisable value.
- n. **Financial instruments**
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.
- o. **Operating leases**
Rentals payable under operating leases are charged on a straight-line basis over the term of the lease. Any rent premiums are written off immediately.
- p. **Designated funds**
Headway may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the organisation. Specifically, funds are set aside which represent the investment made or to be made in buildings and equipment for use by the charity. As such, they are not available for other purposes.
- q. **Restricted funds**
Distributions from restricted resources must be used for purposes consistent with donor intentions and should be the first source of funding to support programmes and activities meeting the restriction.
- r. **Unrestricted funds**
General funds are funds which are available for the general purposes of that charity. These funds will be spent in a way that the Trustees see fit in accordance with the stated objectives of the charity.
- s. **Investment Properties**
Headway holds two investment properties in Manchester that were gifted as part of a legacy and are held for investment purposes to generate a rental income stream for Headway. There are no legal restrictions to prevent the sale of these properties. These properties were initially valued at cost and subsequently at fair value, which is market value, by an independent examiner.

2. Critical accounting judgements and key sources of estimation uncertainty

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.

Critical judgements – stocks

Management use their judgement to assess the value of the donated goods held for resale.

These judgements are reviewed regularly to reflect the changing environment.

3. Net income for the financial year

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

As permitted by section 408 of the Companies Act 2006, the parent's charity Statement of Financial Activities has not been included in these financial statements. The parent charities total incoming resources for the year were £4,535,401 (2019: £4,980,184). The net surplus for the year for the Charity was £235,586 (2019: £39,817)

4. Investment income

	2020 £	2019 £
Income from listed investments	62,693	38,983
Other interest receivable and similar income	20,751	12,639
	<u>82,710</u>	<u>51,622</u>

5. Net income from Headway Retail Limited

The charity has a wholly owned trading subsidiary, Headway Retail Limited, which is incorporated in England and Wales and undertakes two main activities:

- i) The company acts as agent in selling donated goods on behalf of the charity.
- ii) The company conducts, as principal, the trading activity of selling greeting cards and other merchandise. The profits arising are donated to the charity by an annual payment under gift aid.

At 31 December 2020 the company had 29 trading shops (2019: 30 shops).

Agency agreement

Under the terms of the agency agreement, all income from the sale of donated goods totalling £17,619 for the year (2019 - £36,959) is passed directly to the charity. This income is therefore not included in the profit and loss account of the trading subsidiary, as shown below. The charity is charged an agency fee by the subsidiary which is shown as income in the subsidiary company's profit and loss account. The agency fee equals the expenses incurred in selling of goods, as shown below.

Profit and loss account 2020

	Headway Retail Ltd £
Turnover (agency fee/trading income)	17,619
Less cost of sales	-
Gross profit	<u>17,619</u>
Administration expenses (shop operating costs)	<u>(17,305)</u>
Net profit for the year	314
Gift aid payment	<u>(314)</u>
Retained profit for the year	<u>-</u>

The comparative Profit and loss account for 2019 is as follows

Profit and loss account 2019

	Headway Retail Ltd £
Turnover (agency fee/trading income)	36,959
Less cost of sales	-
Gross profit	<u>36,959</u>
Administration expenses (shop operating costs)	<u>(18,548)</u>
Net profit for the year	18,411
Gift aid payment	<u>(18,411)</u>
Retained profit for the year	<u>-</u>

6. Net income from 190 Bagnall Road Properties Limited

The charity has a wholly owned trading subsidiary, 190 Bagnall Road Properties Limited, which is incorporated in England and Wales and undertakes one main activity:

- i) To hold property used by group companies

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

Profit and loss account 2020	190 Bagnall Road Properties Ltd £
Turnover	-
Less cost of sales	-
Gross profit	-
Administration expenses	(5,680)
Loss on ordinary activities before taxation	(5,680)
Tax on loss on ordinary activities	-
Retained profit for the year	(5,680)

The comparative profit and loss account for 2019 is as follows

Profit and loss account 2019	190 Bagnall Road Properties Ltd £
Turnover	-
Less cost of sales	-
Gross profit	-
Administration expenses	(5,680)
Loss on ordinary activities before taxation	(5,680)
Tax on loss on ordinary activities	-
Retained profit for the year	(5,680)

7. Analysis of total resources expended

	Staff costs	Other costs	Management support and governance	Total 2020	Total 2019
	£	£	£	£	£
Costs of generating funds					
Fundraising costs	246,992	42,511	108,014	397,517	481,064
Retail activities	945,723	784,780	81,012	1,811,515	1,919,515
Events and conferences	-	-	-	-	94,876
	1,192,715	827,291	189,026	2,209,032	2,495,455
Charitable expenditure					
Services provided	684,318	416,767	603,082	1,704,167	1,909,421
Grants distributed	21,197	33,787	-	54,984	76,087
Publications and awareness	182,258	39,988	108,015	330,261	536,180
	2,080,487	1,317,833	900,123	4,298,442	5,017,143

7. Analysis of total resources expended (Continued)

	Total 2020	Total 2019
	£	£
Support costs		
Staff costs	515,441	467,044
Volunteer costs	35	232
Office costs	241,259	267,982
Computer support	53,467	65,686
Depreciation	30,478	27,389
Communication costs	18,930	-
Legal & professional fees	11,190	51,628
Subtotal support costs	870,800	879,961

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

Governance costs

Audit fees	28,014	32,178
Trustees expenses	1,310	2,260
Subtotal governance costs	29,324	34,438
Total management support	900,124	914,399

Net income for the year

This is stated after charging:

Depreciation	98,418	87,277
Auditor remuneration		
- Audit fee	28,000	20,650
- Trustees indemnity insurance cover	4,480	4,480
Operating leases - Land and buildings	521,536	461,100

8. Grants & donation for restricted purposes

	Total 2020 £	Total 2019 £
Scottish Government	80,250	76,500
Welsh Assembly Government	16,302	55,751
Health and Social Care Board, Belfast	202,461	91,386
Covid Resilience DCMS	50,000	-
(a) Charitable trusts and other grant making bodies	58,068	128,882
	407,081	352,519

(a) Includes generous grants from the following:

Stewarts Law	40,000
	40,000

9. Staff costs

	Total 2020 £	Total 2019 £
Staff remuneration:		
Salaries and wages	2,305,083	2,637,018
Social security costs	172,325	208,737
Pension costs	77,995	81,365
	2,555,403	2,927,120

The average number of employees, analysed by function was:

	2020	2019
Administration	11	12
Communications	5	17
Fundraising	96	101
Services	33	28
	145	158

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

Two employees (2019 - 3) had total emoluments in excess of £60,000. The emoluments for one of these employees fell within the range of £130,000 and £140,000. The emoluments for one employee fell within the range of £60,000 to £70,000 (2019 – 2).

In addition, Headway benefited from the involvement of unpaid part time volunteers. It is not practical to place a value on these services. The number of these volunteers in 2020 was significantly reduced due to the SARS-CoV-2 Pandemic.

No remuneration was paid to any member of the Board of Trustees during the year, or the previous year; expenditure totalling £82 (2019 - £3,854) was reimbursed.

The key management personnel of the group, parent charity and the wholly owned subsidiary comprise of the trustees, the Chief Executive Officer, The Deputy Chief Executive Officer, the Director of Finance and Administration, the Director of Fundraising, the Director of Services and the Director of Communications. The total employee benefits of the key management personnel was £395,324 (2019: £447,741).

10. Tangible fixed assets

	Office & shop equipment £	Computer equipment & software £	Motor vehicles £	Land & building £	Investment Properties £	Group total £
Cost - Group						
Balance at 1 January 2019	512,180	137,379	82,212	827,891	504,000	2,063,662
Additions	-	40,753	-	-	-	40,753
Disposals/write-offs	-	-	-	-	-	-
Balance at 31 December 2019	512,180	178,132	82,212	827,891	504,000	2,104,415
Accumulated depreciation						
Balance at 1 January 2019	427,959	116,199	33,105	159,996	-	737,259
Charge for the year	49,791	16,178	23,319	9,130	-	98,418
Disposals/write-offs	-	-	-	-	-	-
Balance at 31 December 2019	477,750	132,377	56,424	169,126	-	835,677
NBV at 31 December 2020	34,430	45,755	25,788	658,765	504,000	1,268,738
NBV at 31 December 2019	84,221	21,180	49,107	667,895	504,000	1,326,403

The cost of land not depreciated included in land and buildings is £400,000 (2019: £400,000). Amounts attributed to land and buildings relate to the property owned by the charity's subsidiary undertaking, 190 Bagnall Road Properties Limited.

	Office & shop equipment £	Computer equipment & software £	Motor vehicles £	Land & building £	Investment Properties £	Charity total £
Cost - Charity						
Balance at 1 January 2020	448,964	137,379	82,212	143,891	504,000	1,316,446
Additions	-	40,753	-	-	-	40,753
Disposals / write-offs	-	-	-	-	-	-
Balance at 31 December 2020	448,964	178,132	82,212	143,891	504,000	1,357,199
Accumulated depreciation						
Balance at 1 January 2020	428,033	116,199	33,105	104,883	-	682,220
Charge for the year	20,931	16,178	23,319	3,450	-	63,878
Disposals/write-offs	-	-	-	-	-	-
Balance at 31 December 2020	448,964	132,377	56,424	108,333	-	746,098
NBV at 31 December 2020	-	45,755	25,788	35,558	504,000	611,101
NBV at 31 December 2019	20,931	21,180	49,107	39,008	504,000	634,226

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

11. Fixed asset investments

Group	UK Equities £
Balance at 1 January 2020	283,926
Gain/(losses) during year	(18,678)
Cash on deposit	350
Market value at 31 December 2020	<u>265,598</u>

All investments relate to holdings in the EdenTree Amity Investment Funds for Charities and Santander UK PLC preference shares

Charity	UK Equities £	Subsidiary undertaking £	Total £
Balance at 1 January 2020	283,926	684,000	967,926
Gain/(losses) during year	(18,678)	-	(18,678)
Cash on deposit	350		350
Market value at 31 December 2020	<u>265,598</u>	<u>684,000</u>	<u>949,598</u>

The investment in the subsidiary undertaking represents 100% of the ordinary share capital of 190 Bagnall Road Properties Limited, a company which owns the charity's property and is incorporated in England and Wales. Its results have been included in the consolidated financial statements along with Headway Retail Limited, a company limited by guarantee. Headway Retail Limited commenced trading during 2015.

12. Stock

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Goods held for resale	13,612	11,417	13,612	11,417
Donated goods held	71,794	75,000	71,794	75,000
	<u>85,406</u>	<u>86,417</u>	<u>85,406</u>	<u>86,417</u>

13. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	542,705	364,745	516,691	364,745
Other debtors	99,322	135,981	99,322	135,981
Prepayments	97,630	104,015	97,630	104,015
Amounts owed by subsidiary undertaking	-	-		-
Due from group companies	-	-		6,160
Taxation recoverable	45,589	59,094	45,589	59,094
Legacies receivable	353,064	-	353,064	-
Accrued income	65,168	328,578	65,168	328,578
	<u>1,203,478</u>	<u>992,413</u>	<u>1,177,464</u>	<u>998,573</u>

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

14. Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	168,667	298,742	168,667	298,742
Taxation and social security	42,609	52,849	42,609	52,849
Other creditors	-	50,626	-	50,626
Deferred income	419,384	-	419,384	-
Accruals	20,891	20,650	20,891	20,650
Taxation payable	-	-	-	-
Pension Trust provision within one year	47,751	3,159	47,751	3,159
Solicitors List 2020		280,457		280,457
	<u>699,302</u>	<u>706,483</u>	<u>699,302</u>	<u>706,483</u>

15. Creditors: amounts falling due after one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Pension Trust provision within one year	-	13,428	-	13,428
	<u>-</u>	<u>13,428</u>	<u>-</u>	<u>13,428</u>

15a Multi employer pension scheme liability

Headway – the brain injury association participates in a multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK.

In January 2019, the last participating employee left the scheme and Headway entered a 'period of grace' for twelve months providing time for any new employee to join the scheme. Since no employee did so, the period of grace ended in January 2020. This was deemed to be a cessation event, therefore a Section 75 debt on withdrawal is now due to fully satisfy and settle Headway's liability under this pension scheme.

A preliminary schedule of Headway's debt on withdrawal and the associated fees has been provided by the scheme as follows:

	2020
	£
Debt on withdrawal	42,239
Actuarial fee	5,300
Admin fee	212
	<u>47,751</u>

As this debt will be due within 12 months of the end of the 2020 financial year, this debt is recognised on the balance sheet as such and included in the main creditors' schedule under note 14.

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

16. Restricted income funds

	Balance 31 December 2019 £	Movement in funds Income	Expenditure £	Balance 31 December 2020 £
Family emergency fund	8,551	43,000	(26,170)	25,381
Regional development & group support	50,416	-	-	50,416
Helpline	23,711	-	-	23,711
HATS project - Big Lottery	-	-	-	-
HATS project	16,138	10,068	(20,546)	5,660
Information Support Programme	2,279	-	-	2,279
Scottish government - development within Scotland	28,303	80,250	(108,554)	-
Welsh Assembly - Wales country manager	(7,230)	16,302	(9,072)	-
Health and Social Care Board - Northern Ireland	50,599	202,461	(162,276)	90,784
Justice Project	1,915	5,000	(2,050)	4,865
Covid Resilience DCMS	-	50,000	(21,845)	28,155
	174,682	407,081	(350,512)	231,251
Branches	527,642	139,849	(159,541)	507,950
	702,324	546,930	(510,053)	739,201

- a Family Emergency Fund for people with brain injuries, supported by the Stewarts Law Foundation and other community funding.
- b Grants from other charitable bodies and restricted legacies to support Network Support staff, training and other services to groups and branches.
- c Grants received to assist the development and support of the Headway nurse-led helpline.
- d Grants received from the Big Lottery Fund to support the Headway Acute Trauma Support (HATS) project. Finished in 2018.
- e Grants received from the charitable trusts to support the Headway Acute Trauma Support (HATS) project (including Lord Austin Trust amongst others).
- f Funding received from Charities Aid Foundation America to support our Information Support Programme.
- g Funding from the Scottish Government to support the development of services within Scotland
- h Funding from the Welsh Assembly Government to support the work of the development of services within Wales in collaboration with the Child Brain Injury Trust.
- i To provide people in Northern Ireland with acquired brain injury and their carers with the opportunity to access a range of services to support their needs
- j Funding received to support the Justice Project, providing Headway ID cards to brain injury survivors
- k Funding received from DCMS under the Covid Resilience programme to support network services

17. Designated and unrestricted funds

	Balance at 31 December 2019 £	Designations from /(to) other funds £	Utilised/ (released) £	Balance at 31 December 2020 £
Designated fund other				
Expendable endowment fund	1,146,000	-	-	1,146,000
Network crisis support	391,622	-	-	391,622
Family Emergency Fund	100,900	-	-	100,900
Justice for Survivors	119,923	-	-	119,923
Digital projects fund	50,000	-	-	50,000
Other designated	29,180	-	-	29,180
Total designated funds	1,837,625	-	-	1,837,625

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

17. Designated and unrestricted funds (continued)

	Balance 31 December 2019 £	Movement in funds		Balance 31 December 2020 £
		Incoming resources £	Expenditure gains/(losses) & transfers £	
General funds	1,194,013	4,006,090	(3,807,067)	1,393,036
	1,194,013	4,006,090	(3,807,067)	1,393,036

- a The expendable endowment fund consists of property donated to the charity. The trustees have discretion as to how the fund is used and there is no actual requirement to spend or apply the capital. The trustees have the power to convert the endowment funds into income.
- b The network crisis support fund represents the amounts set aside to provide financial support to local Headway groups that run into substantial financial difficulty
- c The Family Emergency Fund provides financial support to families and individuals struggling to cope with the practical difficulties brought about by catastrophic brain injury
- d The Justice for Survivors fund has been established to ensure to provide ID cards for survivors of a brain injury and make arrangements for legal representation to be provided where appropriate
- e The digital project fund represents funds set aside to increase Headway's digital presence
- f Other unrestricted designated funds represent funds transferred from and received on behalf of Group and Branches. Such funds are designated for use in the region where they were originally generated. Also includes fund to cover shop dilapidations.

18. Analysis of Group Net Assets between Funds

Fund balances at 31 December 2020 are represented by:

	Unrestricted Funds £	Restricted Funds £	Branch Funds £	2020 Total £	2019 Total £
Tangible fixed assets	1,268,738			1,268,738	1,326,403
Investment fixed assets	265,598			265,598	283,926
Current assets	2,395,627	231,251	507,950	3,134,828	2,563,088
Current liabilities	(699,302)			(699,302)	(439,455)
Total net assets	3,230,661	231,251	507,950	3,969,862	3,733,962

19. Legal status of headway

Headway is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. Members are liable for a period up to one year after they cease membership.

20. Operating leases

At 31 December 2020, the group and charity had the following total commitments under non-cancellable operating leases with respect to the charity shops.

	Group	
	2020 £	2019 £
Short leasehold premises		
Operating leases which expire:		
Within one year	289,258	296,249
Within one year to two years	201,600	246,000
Within two to five years	245,712	287,292
Over five years	-	-
	736,570	829,541

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

21. Related parties

The Charity is the sole member of Headway Retail Limited a company limited by guarantee and registered in England. Headway Retail Limited commenced trading during 2015. At 31 December 2020 the company had no reserves and its income amounted to £17,619 (2019: £36,959) with expenditure of £17,305 (2019: £18,548).

Transactions in the year with Headway – the brain injury association (the parent company) were:

Sales to parent: £14,683 (2019: £30,799)

Donation to parent under gift aid: £314 (2019: £18,411)

Recharges from parent: £17,305 (2019: £18,548)

Balance due to parent at 31 December 2020: £2,937 (2019: £6,160)

At 31 December 2020 Headway Retail Limited had a bank balance of £2,937 (2019: £6,160)

The financial statements of 190 Bagnall Road Properties Limited (Company number 02451998) and Headway Retail Limited (Company number 2925092) can be obtained from Companies House.

22. Analysis of net (debt/funds)

	01 January 2020	Cash flow	Other non-cash changes	31 December 2020
Net cash:				
Cash at bank and in hand	1,764,713	81,230	-	1,845,943
Add: Liquid resources				
Current asset investments	-	-	-	-
	-	-	-	-
Less: Debt				
Debts falling due within one year	-	-	-	-
Debts falling due after one year	-	-	-	-
Net funds	1,764,713	81,230	-	1,845,943

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

23. Comparative Statements of Financial Activities

	Unrestricted	Restricted	Branch	Total
	funds	funds	funds	2019
	£	£	£	Restated
				£
Income				
Donations and Legacies				
- Donations	1,019,647	44,303	85,974	1,149,924
- Grants	53,422	285,359	28,539	367,320
- Legacies	119,071	-	-	119,071
<i>Charitable activities:</i>	-	-	-	-
- Training	50,251	-	-	50,251
- Services to groups and branches	153,965	22,857	-	176,822
- Publications and awareness	302,206	-	65,126	367,332
<i>Other trading activities:</i>	-	-	-	-
- Sale of donated goods	2,517,308	-	-	2,517,308
- Sale of other merchandise	12,492	-	-	12,492
- Events and conferences	233,640	-	-	233,640
Investment income	36,764	-	2,219	38,983
Rental income	12,639	-	-	12,639
Other incoming resources:	-	-	-	-
- Disposal of property	2,583	-	-	2,583
Total income	4,513,988	352,519	181,858	5,048,365
Expenditure				
<i>Raising funds:</i>				
Fundraising	481,064	-	-	481,064
Retail activities	1,919,515	-	-	1,919,515
Events and conferences	94,876	-	-	94,876
<i>Charitable activities:</i>				
- Services provided	1,465,338	261,367	182,716	1,909,421
- Grants distributed	23,347	42,199	10,541	76,087
- Publications and awareness	536,180	-	-	536,180
Total expenditure	4,520,321	303,566	193,257	5,017,143
Net gains/(losses) on investments	27,006	-	-	27,006
Net income / (expenditure) before recognised gains	20,674	48,953	(11,399)	58,228
Transfers between funds	146,917	(146,917)	-	-
Net income/(expenditure) after other gains /(losses)	167,591	(97,964)	(11,399)	58,228
Fund balances brought forward at 1 January 2019	2,864,047	272,646	539,041	3,675,734
Fund balances at 31 December 2020	3,031,638	174,682	527,641	3,733,961

Headway – the brain injury association

Notes to the consolidated Financial Statements for the year ended 31 December 2020

24. Comparative Analysis of total resources expended (note 7)

	Staff costs	Other costs	Management support and governance	Total 2019
	£	£	£	£
Costs of generating funds				
Fundraising costs	318,888	41,646	120,530	481,064
Retail activities	1,038,702	819,268	61,545	1,919,515
Events and conferences	-	94,876	-	94,876
	<u>1,357,590</u>	<u>955,790</u>	<u>182,075</u>	<u>2,495,455</u>
Charitable expenditure				
Services provided	898,613	540,577	470,231	1,909,421
Grants distributed	23,347	52,740	-	76,087
Publications and awareness	204,862	69,225	262,093	536,180
	<u>2,484,411</u>	<u>1,618,331</u>	<u>914,399</u>	<u>5,017,143</u>

Total 2019 £

Support costs

Staff costs	467,044
Volunteer costs	232
Office costs	267,982
Computer support	65,686
Depreciation	27,389

Communication costs	-
Legal & professional fees	51,628
Subtotal support costs	<u>879,961</u>

Governance costs

Audit fees	32,178
Trustees' expenses	2,260
Subtotal governance costs	<u>34,438</u>

Total management support	<u><u>914,399</u></u>
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25. Restatement of prior year figures

Recent improvements in systems and controls have allowed for the identification of a revenue recognition issue with Solicitors' Directory Income. In prior years, revenue was recognised in the year of invoice but it has now been identified that invoices were raised for the year ahead. The following adjustments have been made to prior year figures:

Income	2018	2019	2020
Solicitors' Directory 2019	(283,226)	283,226	
Solicitors' Directory 2020		(280,456)	280,456
	<u>(283,226)</u>	<u>2,770</u>	<u>280,456</u>

These adjustments have been made to prior year figures as follows:

	2019	Adjustment	2019 restated
2018 reserves balance brought forward	3,958,960	(283,226)	3,675,734
2019 income	5,045,595	2,770	5,048,365
2019 reserves balance brought forward	4,014,418	(280,456)	3,733,962