

COMPANY REGISTRATION NUMBER: 04027768  
CHARITY REGISTRATION NUMBER: 1084715



**Headway Sussex Ltd**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31st March 2021**

# **Headway Sussex Ltd**

## **Company Limited by Guarantee**

### **Financial Statements**

**Year ended 31st March 2021**

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# **Headway Sussex Ltd**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

#### **Year ended 31st March 2021**

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st March 2021.

The financial statements have been prepared in compliance with the Charity's Memorandum and Articles of Association, FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

#### **Chairman's Report**

This year brought significant challenge and change to our charity and I am particularly proud of the resilience and progress that has been made by the full team of Trustees, Management, Staff and Volunteers. Apart from the Covid Pandemic it was also a year with two key developments.

The first major development was the work completed in conjunction with Headway UK to amalgamate Headway West Sussex into our group and we now provide our services across both counties and have updated the name of the charity to Headway Sussex Limited to reflect this change. We have also welcomed two new trustees with Andrew Kean taking up the role of Chair of the Finance Committee and Ian Foster taking up the role of Chair of the Client Representation Group. Special thanks go to Sally Hylands who retired from the board after 7 years of dedicated service.

Whilst day to day operations were severely restricted due to Covid 19 we nevertheless managed to deliver 5,551 hours of individual Outreach support and we maintained a level of critical hospital liaison service. 78 online support and Rediscover groups reached out to engage with 572 participants across the county to assist clients to focus on progressing in their lives. 16 Wellbeing Activity Groups also gradually re-started at our centre in Newick. Providing support through the Outreach channel was the main focus of our efforts and in the demanding situations we found ourselves in it was a sensible use of our resources and the best way to provide essential safe client support across the year.

A second major development was that we were successful in being awarded a three-year National Lottery Grant which will be used to further the strategy of bringing our services to local areas such as Brighton & Hove and Eastbourne. Planning work is well underway to introduce this approach and we will continue to bring our services closer to those that need it as quickly as we can.

The financial result for the year is very satisfactory given the prevailing climate and we are very grateful for the grants and support we have received from all quarters especially the Govt Support from both East Sussex County Council and Brighton & Hove Council. We finished the year with a modest loss but with a strong cash position having taken advantage of the subsidies and grants available to us.

Over the next year we hope to return to our previous level of services and to continue to offer rehabilitation and support services for people with brain injuries, their families and carers. Our enquiry levels for support have increased significantly even before we factor in the wider Sussex area that we now cover. We aim to provide a range of services, including offering tailored rehabilitation and reablement programmes, as well as a variety of advice and support services to those affected across the whole of Sussex.

My thanks go to all our Trustees, Staff and Volunteers who have contributed their time and efforts to the charity this year.

Restrictions and limitations from Coronavirus have started to ease from November 2021 and we aim to restore our services as quickly as we can. There are still many challenges to overcome but the Trustee Board remain very confident about the outlook for the charity and look forward to extending our support to West Sussex over the coming year.

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#### **Chief Executive's Report**

##### **A Year like no Other**

2020-2021 was a tough year but our charity adjusted well in managing considerable change at fast pace in the light of Covid and other challenges. The strength and guidance of the experienced Headway Board of Trustees was invaluable in steering us through the year. The Board's direction, coupled with the flexibility of frontline managers, staff and volunteers was vital and enabled Headway to adapt quickly to new ways of working required.

We started the year as Headway East Sussex and ended the year as Headway Sussex. Our formal change of name as approved by the Charity Commission was to take effect from April 2021. and Board commitment to extend our remit to fully cover West Sussex and digital transformation were two of the notable development changes.

When Covid struck it was necessary to address the serious financial challenge of a major drop in income when face to face services had to be suspended due to safe distancing restrictions. It was a particularly difficult time when clients had to be informed of the shutdown and the possibility that the period of pandemic could last up to 12 months. From that point forwards the impact of Covid took its toll on clients and carers significantly increasing worry, anxiety and social isolation. Our team worked hard to keep in touch across the year but the impact was very evident later as people came together again and shared their experiences.

Although the furlough Job Retention Scheme then came into force we needed to continue to meet our obligations to clients. It was not possible to furlough all staff as clients were dependant on Headway support. This included self-funding and state-funded clients. Headway had to adapt to continue to fulfil contract requirements on behalf of East Sussex and Brighton and Hove Councils and to Direct Payment clients funded by West Sussex County Council.

##### **Financial Review of the Year**

The main aim across the year was to sustain the viability of the charity and to proactively manage the financial impact and other consequences of the pandemic.

Headway suffered an immediate loss of around 35% of income from the start of the year. We were able to make partial use of the furlough scheme and applied for emergency funding and business grant support. In May 2020 Trustees took action to secure an emergency Bounce Back Loan of £50k to ensure continuation of charitable activities and availability of adequate cashflow. This was additional to a Charity Bank loan facility already in place.

In place of regular county council income for funded services normally delivered under contract Headway received statutory financial help through government funding in the form of regular resilience grant payments. These payments were a critical income source and a lifeline in sustaining the charity across an unprecedented time.

# Headway Sussex Ltd

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### Trustees' Annual Report (Incorporating the Director's Report)

#### Year ended 31st March 2021

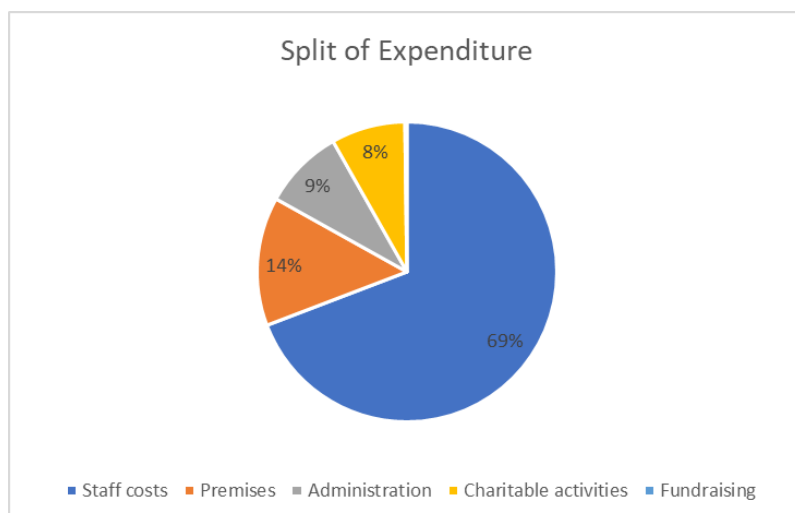
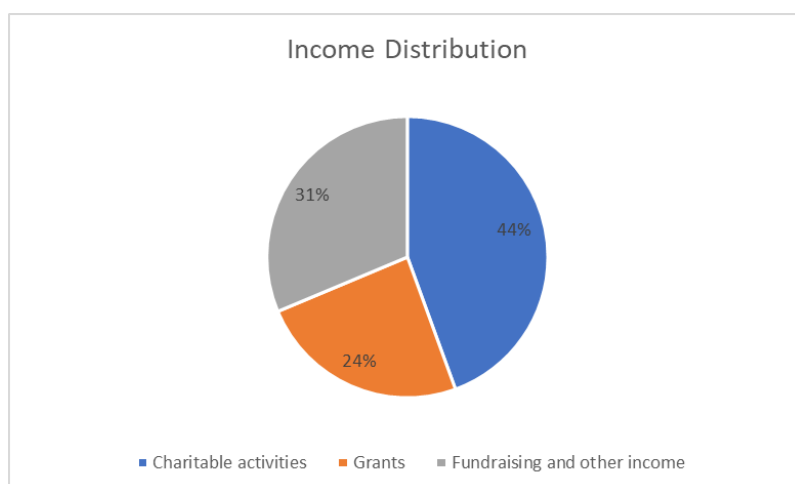
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Close to the start of the financial year Headway received fantastic news about award of a National Lottery Reaching Communities Fund Grant. The Grant was to cover a three-year period to support the charity through the process of change to become a more locally based community-facing organisation. This is to be achieved through delivery of a Headway Living Well Programme with the focus on setting up new accessible support services in more town-based venues across East Sussex and Brighton and Hove. The year 1 grant of £92,665 was to run from September 2020.

It had already been necessary to contract and reduce expenditure through restructure which took effect from October 2020 with a reduction in the workforce from 24 to 17 employees. We worked through an organisation-wide redundancy process to re-align management and frontline staffing in order to operate within a reduced budget for our core services. Sadly we lost valued, experienced and knowledgeable staff and had to reduce to a single Community Service Manager. Once appointed we set about changing our staffing to deliver the Living Well Programme Lottery project.

The 2020-2021 deficit shown in the Statement of Financial Affairs of £234 results after depreciation and loss across a most difficult year in the lifetime of the charity.

Graphs below illustrate the split of income and expenditure.



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##### **Shift towards serving Town Communities**

Headways' plan to shift away from a single site at Newick to reach and support people living with brain injury across town communities remained integral to all changes and decisions. Award of the Lottery grant had been an endorsement of the value of our work and plans for change. These remain a good fit with the Lottery Reaching Communities Programme and Partnership ideals. Our key objective continues to be to deliver reablement and wellbeing support people need closer to home. Receipt of the grant was also perfect timing in enabling Headway to get up and running after Covid.

From late March it was necessary to close the traditional day service model which had been reliant on use of outdated facilities in the old house at Newick. The main house building was unsuitable for Covid-safe working and needed considerable investment. This was not a viable proposition and regrettably this resulted in loss of the lunch service.

It was however agreed to plan for return to continuing use of the Newick Annexe building as a suitable delivery venue, albeit in the short-term as Headway implements plans to disperse services. This approach for interim use would ensure that a shift in focus to other venues would start to be achieved within the three-year term set. Funding was sought for essential access alterations, improvements and equipment to achieve safe distancing, safe working and safe support for everyone involved.

A Lottery Covid Emergency Grant and Infection Control funding also secured were committed to cover essential costs and to procure a vital new client database system for planned implementation in 2021.

From November 2020 Headway returned to offer small safely distanced face to face services again across the period in between lockdowns. Staff worked within restrictions and with personal protective equipment. This resulted in additional work given the volume of guidance received from different local authorities, public health, Sussex NHS partners and central Government and need for continuous risk assessment.

Working with a skeleton team the Newick service was gradually re-introduced over 3 days per week directly managed by Headway's Director of Rehabilitation and Reablement. The Community Services Manager concentrated time on community outreach support for clients in person and online and to re-starting groups for Brighton and Hove. Staff were encouraged by observing clients within groups gaining confidence and that support could help reduce worry, anxiety and social isolation exacerbated by Covid.

Our reach continued to span East Sussex, Brighton and Hove and the border of West Sussex and was also extending to oversee operation of West Sussex support groups being delivered online

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##### **Commitment to cover West Sussex**

On top of dealing with Covid requirements Trustees were asked to consider Headway extending to cover the other half of the county West Sussex. This would be additional to the current 'Reaching Out' objectives for East Sussex and Brighton and Hove. Our charity had previously supported some clients living on the borders. We were fortunate that a former West Sussex Trustee joined our Board and a very experienced Group Facilitator transferred to continue to run the two evening support groups Worthing and Bognor. Much valued volunteers have also continued to offer their time and expertise.

Amalgamation took place from end of September 2020 which led to our charity changing to become Headway Sussex from April 2021. This doubled the geographic area Headway needs to serve. The Board committed to fundraise to extend and start to grow a service in West Sussex at the earliest possible point.

The outcome of a previous Headway West Sussex bid to the Henry Smith Charity was notified and warmly welcomed. £4,600 Year 1 funding was gratefully received in August 2020. This was a grant towards core costs of groups across 2021-2023 to include subsidy of a proposed new Support Group and to be supplemented by other fundraising.

##### **Information Technology**

Whilst Covid had created challenges there were also new opportunities for innovation and change as a positive outcome. Our staff needed to quickly adjust to remote and mobile working and the organisation adapted to provide a 'Keeping in Touch' service through phone and online support.

Throughout the year Headway received considerable benefit from expert voluntary IT advice and support. This arrangement had been a trusted working partnership for Headway over a long period and brought the charity significant added value. Headway had previously only been able to invest minimal resource in IT and equipment but was able to purchase essential new laptops using grant funding.

Across the period of Covid steps had to be taken to transition for amalgamation with the West Sussex Headway charity and to draw up an IT Plan for systems improvement.

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##### **Digital Transformation**

Given the nationwide shift to a digital culture Headway updated phones and laptops for more agile remote and home working. We equipped staff replacing outdated equipment with new technology as part of the wider IT Plan. This was fundamental to digital transformation and made a major difference to how we work. Staff and volunteers were able to communicate more speedily and with ease and videos, photos and soundbites have been easy to publish. Headway meetings were held online eliminating time, cost and stress of travel.

Where able to use technology with support or independently clients were able to express their choice and preference and was a change which was also empowering. There were however sensitivities to manage. Most importantly we were able to keep in touch with clients and carers in a new way.

Outcomes were:-

- staff digital skills markedly improved as Headway devoted time to induct people in using online conferencing for Support Group meetings and other communications including access to webinars
- greater efficiency and improved online messaging and publicity to reach more people
- delivering virtual Support Groups broke down barriers for some clients and carers experiencing difficulties in accessing support through technology
- we provided one to one support for clients, family members and carers in using smart phones and tablets to join activities, promoting wellbeing through digital inclusion
- this included a long-term loan of tablets where there was no alternative
- providing virtual enabled clients to return to the safe environment of groups and allowed new and isolated clients to join for the first time, increasing connections and links to services and opportunities
- increasing zoom groups gradually allowed old friends and new to meet and catch up on how they were coping with all the changes encountered
- clients developed new skills and shared enjoyable activities including online quizzes
- piloting of mixed media groups enabled clients willing and able to re-enter a face-to-face environment whilst others unable to participate could still join and feel part of personal groups

The update of our website remained outstanding pending appointment of a new Digital and Marketing Programme Lead to play a pivotal role in raising Headway's profile and enabling digital service delivery. This would accelerate the shift to development of online services, raise profile, aim to achieve excellence in communications and to Headway fully embracing digital culture. The new Digital Lead post was advertised at the end of the year.



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##### **The Living Well Programme**

The Living Well Programme Lottery funding was to be allocated to cover the following:-

- Extra day and evening Living Well Support Groups and workshops
- New Programme Lead time for outreach visits and venue-based activity
- Extra staff time to initiate a small-scale core Response and Call Back service
- Low-cost specialist counselling, affordable by and accessible to those who need it most
- Vital additional capacity for Hospital Liaison
- Essential improvements and start-up costs

Two part-time Programme Lead roles were created and the support team changed to a team of Wellbeing Support Workers from November 2020.

Changes were initiated to coordinate a future vibrant Programme of group support activities and workshops for clients offered out in community venues, client's own homes, outside settings and online. The aim was to continue working collaboratively through partnerships.

Change was also made to strengthen an existing Hospital Liaison role to increase Hospital Liaison and deliver an extended Living Well Support Group programme from January 2021.

The overall aim is to use the grant to deliver a locally based approach, promote and offer greater choice and control, personal wellbeing, rehabilitation and reablement, independence, improved quality of life, social interaction and inclusion. Also to work through individual Headway Link Workers and be more efficient with a common purpose to fully embrace and increase use of social media and digital communication.

##### **Connections**

Headway connects with VCSE, NHS, adult social care and community partner organisations to raise awareness and to leverage additional free and low-cost specialist information and resources across these sectors to benefit clients, carers and staff. Examples have been -

##### **Public Sector**

- NHS Critical Care Nursing - experiences in ICU
- Brighton and Hove City Council - training and development courses and Healthy Lifestyles Team
- DWP - awareness raising for work coaches advising on benefits and PIP
- Brighton and Sussex University Hospital - expert speakers
- NHS CCG and Continuing Healthcare colleagues – links and Support Plan
- Hospital Liaison Service Lead - membership of UK and Sussex Brain Injury Forum
- University of Brighton - BSC and MSC OT and Social Work student placements
- Sussex Trauma Network - participation alongside NHS and other specialist providers
- Hospital Liaison Service Lead - liaison with rehabilitation practitioners (ward-level, other specialists)

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#### Voluntary and Community Sector

- MIND - liaison on mental health and access to services
- St Lukes and Money Advice Plus/Possability People - welfare benefits and PIP
- Media Trust - digital training via Charity Spring School
- Membership and information - through VCSE organisations Brighton and Hove, East and West Sussex
- Headway UK regional meetings - including regular briefings on responding to the Covid crisis
- Carer Services organisations - liaison and referrals

#### Business

- IT technical support free of charge from Technology Solutions, West Sussex based
- Neurotherapy Partnership Therapists engaged in individual support plans
- Independent practitioners and Counsellors - preparatory work for Headway Counselling Partnership

#### Support and Wellbeing Activity Delivered

- 33 Living Well Support Groups were held online across Brighton and Hove for 234 participants
- 23 Living Well Support Groups were held in West Sussex for 324 participants
- 16 Wellbeing Activity Groups were held at Newick Annexe
- 5,551 client support hours were delivered via individual Community Outreach
- 13 Rediscover Groups continued across the year for clients with moderate support needs focusing on achieving optimum independence, reintegrating into communities or returning to work
- Although the Newick gym was mostly closed due to personal trainer Covid restrictions, it was accessed by some clients for individual rehabilitation. External therapy was arranged through individual tailored support planning for several clients needing Physio, Speech and Language and Occupational Therapy

#### Volunteering and Fundraising

On behalf of clients and carers, the Trustees and Headway Team are sincerely grateful and thank everyone who assisted through volunteering, with fundraising or making donations to the charity. The charity would not be able to operate without the support and generosity of all.

The overwhelming year made it more difficult to keep in touch with Headways band of loyal volunteers and other supporters. A group of around 16 committed volunteers have regularly contributed time and skills on behalf of Headway. Some people were able to continue through participation in online groups and there were examples of people providing us with online videos to support clients such as with online yoga and relaxation.

Volunteers also help to maintain the grounds at Newick and there were some visits from the Youth Offending Team based in Brighton who continued to help with specific jobs at Newick. Headway is appreciative of all.

Our future commitment is to work with a combined team of staff and volunteers as valued members of the Headway team. Headway aims to remain a charity and voluntary organisation strengthened through an equal partnership with expert volunteers. Our planned community fundraising was on hold in favour of more urgently securing Covid-related grants.

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Important acknowledgements for the year include:-

<b>Judy Tilbury</b> - a dedicated and generous supporter of Headway who worked tirelessly throughout the Covid period making and selling facemasks. Judy individually raised over £2,600 in a very short time and went on to donate further towards a total of £7,500 . This was an amazing achievement.
<b>Collecting Boxes</b> - local stores and public houses held collecting tins on behalf of Headway which also helps raise our profile
<b>Uckfield and District Lions</b> - a commitment to help fund essential equipment for safe distancing at Newick.
<b>Postcode Community Trust</b> - the balance of a People's Postcode Lottery grant previously awarded was spent across the year to fund facilities and support for clients participating in Woodworking
<b>Lewes District Council</b> - business grants to offset cost of local council rates.
<b>The Henry Smith Charity</b> - a grant towards core costs of remaining and new West Sussex group delivery
<b>Tesco and the Federation of Groundwork Trusts</b> - Tesco Centenary Grant funding towards Reaching Out delivery in Brighton and Hove was approved for use across Sussex
<b>The National Lottery Community Fund, Reaching Communities London and South East Region</b> - funding for delivery of the Reaching Out Living Well Programme of change to more community-based service delivery.



#### Governance and Management

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum of Association with sets out the objects and powers of the charitable company and is governed under its Articles of Association.

The objects of the charity are the rehabilitation and care of people who suffer brain injuries and who reside in East and West Sussex and adjoining counties the provision of such services and facilities as are required from time to time by such persons.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

#### Year ended 31st March 2021

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#### Trustees

The Trustees, who are also Directors for the purpose of company law and, who served during the year were:

Trustee	Profession	Board Role
Michael Gaughan	Non-Executive Director	Chair of Trustees & Finance Committee
Henrik Bjorn	Retired Banker	Finance Committee
Mark O'Hara	Chartered Accountant	Finance Committee
Andrew Kean	Chartered Accountant	Finance Committee
Lucy Morewood	Marketing Manager	Fundraising & Marketing Committee
Michele Fleming	Retired Occupational Therapist Former CEO	Fundraising & Marketing Committee Lottery Committee
Ian Foster	Parent of a son with a brain injury	Client and Carer Engagement Lead
Dr John Norris	Consultant Neurosurgeon	NHS engagement
Lynda Brown	HR Consultant	Standards & Compliance Committee
Jonathan Clement	Senior Partner in law firm specialising in personal injury	Standards & Compliance Committee

The Patron of the Charity is Baroness Julia Cumberlege.

Trustee Sally Hylands stood down after long service on the Board, also supporting service user representation and our Fundraising and Marketing Committee. We are indebted to Sally for her very significant and valued contribution to Headway client and carer engagement and as a committed volunteer.

We were fortunate to have two new Trustees join the Board - Andrew Kean taking up the role of Chair of the Finance Committee and Ian Foster to lead on client and carer engagement to continue the work of the Client Representation Group.

Trustees are recruited on recommendation following a full recruitment process including interview provision of references and DBS checks. New skills required were identified with a plan to increase representation from West Sussex and recruit Trustees with particular expertise in property, IT, diversity and inclusion whilst also ensuring our membership reflects the areas we serve.

Board Governance Committees are Finance, Fundraising and Marketing, Standards and Compliance and all Committees met regularly across the year. Extraordinary meetings also took place. A new Lottery Committee was also set up in February 2021.

#### Audits and Inspections

There were no audits or inspections during this period.

#### Related Parties

The Charity is affiliated to Headway UK, the national brain injury Charity.

# **Headway Sussex Ltd**

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#### **Year ended 31st March 2021**

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#### **Future of Headway Sussex**

Covid restrictions meant that it was not possible to open new groups or services at new venues during the financial year. However, towards year end a new draft Strategy for 2021-2024 was put together at request of the Board for later agreement. The following summarises key points from the Strategy:-

#### **Vision**

Headway's vision is to remain a trusted specialist provider organisation so that people with brain injury right across Sussex are supported to rebuild lives and to live well.

#### **Values**

- the best interest of each client and family Carer is the focus of all decisions
- always providing caring, safe support to promote wellbeing, independence and quality of life
- fully engaging clients and carers in shaping their own support and our wider services
- a warm, welcoming, listening charity: efficient, affordable and reliable
- embracing difference and diversity in all we do
- welcoming expert volunteers as valued members of a combined workforce

#### **Rebuilding and Extending Headway**

For survivors of acquired brain injury life can change overnight and demand for our support is high. Covid left a lasting impact for the people the charity serves and our aim is to re-build through business recovery. Headway will use future investment for growth and development to future-proof and sustain our services and will set out priorities, costs and resources in an annual business plan.

This will be to strengthen services across East Sussex and Brighton and Hove and extend more widely into West Sussex. To be efficient in rolling out best practice through a well-trained, fully mobile, combined staff and volunteer team to increase capacity. Delivery of an agile and affordable service model for people who need our support will be achieved working more efficiently and in partnerships with a range of other experts.

Sussex covers almost 1,500 square miles with 12 Districts and Boroughs and Brighton and Hove Unitary Authority. Clients and family carers are widely spread. Our shift is to place-based, specialist support across the wider area with a more flexible wellbeing service.

#### **Partners and Supporters**

The views of people who use our services, staff, partners, supporters and stakeholders will shape delivery and we will strengthen engagement, gathering feedback and opinion in a range of different ways.

Headway will work proactively alongside the community, social care and the NHS partners.

However, the right funding must be in place to reflect the complex and often hidden needs of the people we support. We will foster a clear understanding and stronger working partnership approach to sustain Headway's specialist support role for the Sussex community.

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Headway has relied on fundraising income in the region of £100,000 per year and is indebted to the generosity of donors and supporters. We will continue to value the significant added contribution which comes from the expertise and time given by volunteers and Trustees and in fundraising.

The Living Well Programme must stand alone at the end of the Lottery grant funding. This is a short time window of development. Headway will be transparent in presenting and sharing costs with funders. We are keen to work within collaboratives and social enterprise. We will continue to draw on best practice from the larger Headway network and organisations of excellence.

There is strong client voice in favour of far greater NHS liaison and we need to extend our staffing in this critical area. We will therefore lobby hard to secure health and social care funding investment at the earliest point.

#### **Reserves and Investment Policy**

Trustees took action to obtain the £50k Bounce Back Loan to ensure adequate cashflow. This was in addition to the existing Charity Bank loan facility which provides a facility of up to £150K.

No financial investments were made during this accounting period.

The main asset of the Charity remains the freehold property Headway House, Jackies Lane, Newick. A review to agree a plan for the future of the Newick site was proposed for 2021-2022.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31st March 2021

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#### Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of Information to the Auditors

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Annual Report and the Strategic Report were approved on 04/11/2021 and signed on behalf of the Board of Trustees by:



Michael Gaughan – Chairman and Director

# **Headway Sussex Ltd**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Headway Sussex Ltd**

**Year ended 31st March 2021**

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#### **Opinion**

We have audited the financial statements of Headway Sussex Ltd (the 'charity') for the year ended 31st March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.



# Headway Sussex Ltd

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Headway Sussex Ltd *(continued)*

**Year ended 31st March 2021**

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#### **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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

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

#### **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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 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 charity or to cease operations, or have no realistic alternative but to do so.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Headway Sussex Ltd *(continued)*

**Year ended 31st March 2021**

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#### **Auditor's responsibilities for the audit of the financial statements**

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

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:

We have considered the following facts in evaluating whether the audit was capable of detecting irregularities and fraud.

The audit was conducted using a proprietary audit pack. The pack is designed to detect fraud and irregularities. PRB Accountants LLP have been registered as statutory auditors since 2001, and are experienced auditors.

Materiality was calculated and used for identifying key audit areas, setting sample sizes and evaluating errors. Analytical review of the profit and loss was performed at the planning stages and throughout the audit to help identify any irregularities. PRB Accountants LLP staff members regularly take part in continuing professional development courses to expand their knowledge and to keep up to date with changes to legislations

A pre-audit discussion was held with the client to discuss any changes to the entity for and after the financial year end including accounting systems, turnover of key staff, instances of actual, suspected or alleged fraud, non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Headway Sussex Ltd *(continued)*

#### Year ended 31st March 2021

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Kim Lo*

Kim Lo (Senior Statutory Auditor)  
PRB Accountants LLP  
Chartered accountants & statutory auditor  
Kingfisher House  
Hurstwood Grange  
Hurstwood Lane  
Haywards Heath  
West Sussex  
RH17 7QX

Dated 16/12/2021

# Headway Sussex Ltd

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31st March 2021

		2021			2020
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	42,131	105,954	–	148,085
Charitable activities	6	228,661	–	–	228,661
Investment income	7	225	–	–	225
Other income	8	33,364	105,792	–	139,156
<b>Total income</b>		<u>304,381</u>	<u>211,746</u>	<u>–</u>	<u>516,127</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	15,563	–	–	15,563
Expenditure on charitable activities	10	283,311	208,120	9,367	500,798
<b>Total expenditure</b>		<u>298,874</u>	<u>208,120</u>	<u>9,367</u>	<u>516,361</u>
<b>Net expenditure</b>		<u>5,507</u>	<u>3,626</u>	<u>(9,367)</u>	<u>(234)</u>
Transfers between funds		(717)	717	–	–
<b>Net movement in funds</b>		<u>4,790</u>	<u>4,343</u>	<u>(9,367)</u>	<u>(49,920)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		25,697	771	558,173	584,641
<b>Total funds carried forward</b>		<u>30,487</u>	<u>5,114</u>	<u>548,806</u>	<u>584,641</u>

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

The notes on pages 21 to 30 to form part of these financial statements.

# Headway Sussex Ltd

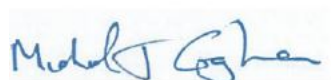
## Company Limited by Guarantee

### Statement of Financial Position

31<sup>st</sup> March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	14	565,958	582,709
<b>Current assets</b>			
Stocks	15	1,679	1,185
Debtors	16	77,799	70,317
Cash at bank and in hand		184,185	34,728
		<u>263,663</u>	<u>106,230</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>163,037</u>	<u>64,298</u>
<b>Net current assets</b>		100,626	41,932
<b>Total assets less current liabilities</b>		666,584	624,641
<b>Creditors: amounts falling due after more than one year</b>	18	<u>82,177</u>	<u>40,000</u>
<b>Net assets</b>		<u>584,407</u>	<u>584,641</u>
<b>Funds of the charity</b>			
Endowment funds		548,806	562,173
Restricted funds		5,114	771
Unrestricted funds		30,487	25,697
<b>Total charity funds</b>	19	<u>584,407</u>	<u>584,641</u>

These financial statements were approved by the board of trustees and authorised for issue on ...04/11/2021..., and are signed on behalf of the board by:



Michael Gaughan  
Trustee and Director

The notes on pages 21 to 30 form part of these financial statements.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31st March 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net expenditure	(234)	(49,920)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	16,751	19,125
Dividends, interest and rents from investments	(214)	(120)
Other interest receivable and similar income	(11)	(40)
Interest payable and similar charges	1,441	344
Gains on disposal of tangible fixed assets	–	(4,913)
Accrued expenses/(income)	71,122	(25,070)
<i>Changes in:</i>		
Stocks	(494)	2,390
Trade and other debtors	(7,482)	6,743
Trade and other creditors	19,794	(5,840)
Cash generated from operations	100,673	(57,301)
Interest paid	(1,441)	(344)
Interest received	11	40
Net cash from/(used in) operating activities	<u>99,243</u>	<u>(57,605)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	214	120
Proceeds from sale of tangible assets	–	5,000
Net cash from investing activities	<u>214</u>	<u>5,120</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	50,000	40,000
Net cash from financing activities	<u>50,000</u>	<u>40,000</u>
<b>Net increase in cash and cash equivalents</b>	149,457	(12,485)
<b>Cash and cash equivalents at beginning of year</b>	<u>34,728</u>	<u>47,213</u>
<b>Cash and cash equivalents at end of year</b>	<u>184,185</u>	<u>34,728</u>

The notes on pages 21 to 30 form part of these financial statements.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31st March 2021

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#### 1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Headway House Reedens, Jackies Lane, Newick, East Sussex, BN8 4QX.

#### 2. Statement of compliance

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

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

Although the charity had net expenditure in the year of £234 the balance sheet is solvent. The Trustees Report details the restructuring and other measures the charity has undertaken to improve the financial performance. On the basis of the cash flow performance since the year-end to date and on current financial projections for the period to September 2022 and the cash balances available including a loan drawdown facility which has been obtained from The Charity Bank to ensure adequate cashflow, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. The covenant restricting the use of the charity's main asset being the property as detailed in note 14 also expires next year which will give the charity more options with its use. There are grants of £101,862 which have been deferred for future expenditure.

Therefore there are no material uncertainties about the charity's ability to continue as a going concern.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

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#### 3. Accounting policies *(continued)*

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.



# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

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#### 3. Accounting policies *(continued)*

##### **Tangible assets *(continued)***

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% on endowed property, 10% reducing balance on other property
Fixtures and fittings	-	20% reducing balance
Motor vehicles	-	25% reducing balance

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

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#### 3. Accounting policies *(continued)*

##### Financial instruments *(continued)*

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### 4. Limited by guarantee

Headway Sussex Ltd is a private company limited by guarantee.

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations and Grants</b>			
Unrestricted	42,131	–	42,131
Restricted	–	105,954	105,954
	<u>42,131</u>	<u>105,954</u>	<u>148,085</u>

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

#### 5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations and Grants 2020</b>			
Unrestricted	42,243	–	42,243
Restricted	–	51,695	51,695
	<u>42,243</u>	<u>51,695</u>	<u>93,938</u>

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2021 £</b>
<b>Services provided under contract</b>			
Unrestricted	<u>228,661</u>	<u>–</u>	<u>228,661</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Services provided under contract 2020</b>			
Unrestricted	442,075	–	442,075
Restricted	–	15,793	15,793
	<u>442,075</u>	<u>15,793</u>	<u>457,868</u>

#### 7. Investment income

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
Rental income	215	215	120	120
Interest receivable	10	10	40	40
	<u>225</u>	<u>225</u>	<u>160</u>	<u>160</u>

#### 8. Other income

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2021 £</b>
Covid Support Government grant income	22,335	104,009	126,344
Headway West Sussex amalgamation	11,029	1,783	12,812
	<u>33,364</u>	<u>105,792</u>	<u>139,156</u>

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

Other income 2020	Total Funds 2021 £	Total Funds 2020 £
Gain on disposal of tangible fixed assets held for charity's own use	—	4,913

#### 9. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Staging fundraising events	413	413	1,698	1,698
Advertising and grant commission	15,150	15,150	3,559	3,559
	<u>15,563</u>	<u>15,563</u>	<u>5,257</u>	<u>5,257</u>

#### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2021 £	Total fund 2020 £
Staff costs		346,583	411,175
Premises		69,480	32,766
Transport		6,935	2,619
Professional fees		481	3,307
Printing, stationery and advertising		1,074	6,054
Other expenses		26,030	29,445
Depreciation		16,751	19,125
Bad debts		6,683	10,694
Governance costs		5,220	5,220
Staff training and recruitment		364	3,878
Staff and volunteers expenses		5,728	24,168
Day care food etc.		103	6,661
Therapy and care		13,925	46,086
Finance costs		1,441	344
		<u>500,798</u>	<u>601,542</u>

#### 11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	16,751	19,125
Gains on disposal of tangible fixed assets	—	(4,913)

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

#### 12. Governance costs

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>5,220</u>	<u>5,220</u>

#### 13.a Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	322,085	378,862
Social security	15,398	21,038
Pension costs	9,100	11,275
	<u>346,583</u>	<u>411,175</u>

The average head count of employees during the year was 21 (2020: 26). No employee received employee benefits of more than £60,000 during the year (2020: Nil).

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

#### 13.b Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. Key management personnel received remuneration totalling £39,684 (2020: £51,871).

#### 14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1st April 2020 and 31st March 2021	<u>613,793</u>	<u>224,960</u>	<u>34,220</u>	<u>872,973</u>
<b>Depreciation</b>				
At 1st April 2020	60,620	206,552	23,092	290,264
Charge for the year	<u>9,367</u>	<u>4,602</u>	<u>2,782</u>	<u>16,751</u>
At 31st March 2021	<u>69,987</u>	<u>211,154</u>	<u>25,874</u>	<u>307,015</u>
<b>Carrying amount</b>				
At 31st March 2021	<u>543,806</u>	<u>13,806</u>	<u>8,346</u>	<u>565,958</u>
At 31st March 2020	<u>553,173</u>	<u>18,408</u>	<u>11,128</u>	<u>582,709</u>

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

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#### 14. Tangible fixed assets continued

The land and buildings at Jackies Lane, Newick, are used for the charitable activities of the company. A charge dated 6 September 2002 is registered over the land. The charge expires in 2022. Buildings of £482,138 are shown at cost less depreciation. Land and buildings of £61,668 are shown at the market value at the date of endowment less a downward revaluation. The trustees are of the opinion that the net carrying amount for land and buildings fairly represents its value in use for the current purpose of charitable activities. The registered charge means this value in use is likely to equal fair value. Details of other charges are detailed in note 21. A small section of land was disposed of in 2020 for a gain of £4,913.

#### 15. Stocks

	2021	2020
	£	£
Finished goods and goods for resale	<u>1,679</u>	<u>1,185</u>

#### 16. Debtors

	2021	2020
	£	£
Trade debtors	64,624	67,676
Prepayments and accrued income	12,801	2,641
Other debtors	374	—
	<u>77,799</u>	<u>70,317</u>

#### 17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	7,824	—
Trade creditors	19,213	14,226
Accruals and deferred income	27,482	10,546
Social security and other taxes	6,568	8,490
Other creditors	88	295
Deferred income	101,862	30,741
	<u>163,037</u>	<u>64,298</u>

#### 18. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>82,177</u>	<u>40,000</u>

Bank loans represent a £40,000 loan drawn down from a £150,000 facility provided by Charity Bank. The availability of the drawdown is until 30 September 2022 unless extended at the discretion of the lender. Capital repayments will commence from October 2022 for thirteen years. The loan is secured on the assets of the charity as described note 21. Interest is charged at 3.5% above the base rate. The charity undertakes to maintain a minimum cash holding of £35,000 or available undrawn facility. Bank loans also represent a £50,000 covid support Bounce Back loan to be repaid over 6 years with repayments starting in June 2021. Interest is charged at 2.5%.

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

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#### 19. Analysis of charitable funds

##### Unrestricted funds

	At 1st April 2020 £	Income £	Expenditure £	Transfers £	At 31st March 2021 £
General funds	<u>25,697</u>	<u>304,381</u>	<u>(298,874)</u>	<u>(717)</u>	<u>30,487</u>

##### Restricted funds

	At 1st April 2020 £	Income £	Expenditure £	Transfers £	At 31st March 2021 £
Advice and Support Services	-	24,525	(22,055)	90	2,560
Chalk Cliff Trust	311	-	-	-	311
Postcode Community Trust	-	5,301	(5,301)	-	-
National Lottery Community	-	58,169	(58,169)	-	-
Outside Environment	-	10,061	(10,061)	-	-
Sussex Community	-	1,275	(1,275)	-	-
Knights Of The Road	-	5,905	(6,386)	481	-
Sundry Grants	460	718	(718)	-	460
Covid CJRS	-	82,184	(82,184)	-	-
Covid Infection Control	-	21,825	(21,971)	146	-
Headway West Sussex	-	1,783	-	-	1,783
	<u>771</u>	<u>211,746</u>	<u>(208,120)</u>	<u>717</u>	<u>5,114</u>

**Advice and Support Services** - grants and donations received from East Sussex County Council Carers Grant, The Sobell Foundation, The National Lottery, Uckfield and District Lions and The Henry Smith Charity for provision of community support workers and counselling and reaching communities.

**Outside Environment** - grants and donations from Coutts, Rathbone, Harrison Foundation and Greenhall Foundation for outside improvements.

**Chalk Cliff Trust** - grant for cookery at Chailey Heritage School.

**Postcode Community Trust** - funds used for woodwork provision and other general costs.

**National Lottery Coronavirus Community Support Fund** - grant for emergency Covid support.

**Sussex Community Foundation Crisis Fund** - for a client database system.

**Knights of The Road** - for information technology and computer purchases.

**Covid CJRS** - government Covid Job Retention Scheme funding for furloughed staff.

**Covid Infection Control** - grants from East Sussex County Council and Brighton and Hove County Council for infection control costs.

**Headway West Sussex** - relates to the amalgamation of reserves.

Transfers relate to the excess of costs over the contributions received

# Headway Sussex Ltd

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st March 2021

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#### 19. Analysis of charitable funds

##### Endowment funds

	At 1st April 2020	Income	Expenditure	Transfers	At 31st March 2021
	£	£	£	£	£
Freehold Property	<u>558,173</u>	<u>-</u>	<u>(9,367)</u>	<u>-</u>	<u>548,806</u>

#### 20. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	3,413	3,413
Later than 1 year and not later than 5 years	<u>568</u>	<u>3,981</u>
	<u>3,981</u>	<u>7,394</u>

#### 21. Registered Charges

There is a deed of covenant and charge dated 2 September 2002 over the land and property described in note 14 in favour of The Leonard Cheshire Foundation.

There is a fixed charge and negative pledge over the freehold property owned by the charity in favour of the Charity Bank limited dated 16 December 2019.

There is a fixed and floating charge and negative pledge over all other freehold property and current assets of the charity in the favour of The Charity Bank Limited dated 16 December 2019.

The value of the facility provided by the Charity Bank Limited is up to £150,000