

REGISTERED COMPANY NUMBER: 04884834 (England and Wales)
REGISTERED CHARITY NUMBER: 1100376

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
HEADWAY SHROPSHIRE

D.R.E. & Co. (Audit) Limited
6 Claremont Buildings
Claremont Bank
Shrewsbury
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SY1 1RJ

HEADWAY SHROPSHIRE

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FOR THE YEAR ENDED 31 DECEMBER 2020

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

In accordance with the Articles of Association, the objects of the charity are to provide information, advice, support and rehabilitation services to people with an acquired brain injury, their families and carers who reside in Shropshire and Telford & Wrekin.

Our objective and aim with all our services is to improve the quality of life and promote the independence of a person with an acquired brain injury whilst supporting family and carers.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Significant activities

Having had a difficult 2019 with an adverse CQC report and parting company with our then CEO the focus for 2020 was to develop and implement a wide-ranging recovery plan to enable the charity to ensure its long term survival and maximise the quality of support to our clients. What could not be anticipated at the start of the year was the impact of Covid-19, which resulted in the enforced closure of the centre and added increased cost and complication to the delivery of the ABICS service, not to mention a huge amount of stress and increased sense of isolation for many who suffer with the after effects of an acquired brain injury. Fortunately Headway Shropshire did not have to face these difficulties alone, and with support from Headway UK and Herefordshire Headway and with a huge investment of time by the former Chair of Trustees David Birch, the trustees and management team were able to adapt to the regularly changing circumstances and work towards the long term recovery objectives identified in the recovery plan.

STAFFING

During the year the CEO of Herefordshire Headway took on the role as acting CEO, supported by the then chair of trustees. As part of the recovery process a number of roles were identified as no longer required and sadly a number of redundancies followed as a result. We would like to take this opportunity to thank our former team members for their hard work and dedication to Headway Shropshire and wish them every success for the future.

Number of Employees	2020	2019
ABICS	42	61
Rehabilitation Centre	6	8
Administration	3	6
Outreach	1	1
Fundraising	0	1

CLIENTS

2020 has been a difficult time for our clients as they have been unable to attend the centre or faced receiving care at home under difficult circumstances. The Covid-19 pandemic has been a difficult and stressful time for everyone and the emotional effects can be particularly difficult for people dealing with an acquired brain injury, where difficulty adapting to new situations and feelings of social isolation tend to be more acute. As a result, Headway Shropshire will be looking to strengthen and broaden its support to clients in the emerging post Covid world. In the long term, we think this adaptation will lead to a new style of blended service, mixing elements of remote support and physical support, either in the home or via attending the newly refurbished centre.

BUDGET 2020

At the Board of Trustees meeting on November 2019, the Board were presented with a proposed budget and recovery plan that sought to bring Headway Shropshire back into 'profitability' by Quarter 4 of 2020. However this would result in an overall loss of some £244K for the year ended 31st December 2020.

The proposed model had assumptions that we would increase the number of Rehabilitation clients during the year and that we would regain 3 large clients into the ABICS team. The Board of Trustees agreed unanimously with the proposal.

HEREFORDSHIRE HEADWAY SUPPORT

In January 2020 we were contacted by Herefordshire Headway who offered to come in and see if they could support our Recovery plans. That support continued up until May 2020 and has been invaluable in progressing the recovery of the charity. We would particularly like to thank their CEO Helen Mapp for all her efforts as our acting CEO during this period.

By February they had completed a comprehensive audit and presented their findings and a proposal to the Board of Trustees at the Monthly Meeting on 13 February 2020. Their proposal went much further than the agreed budget with regards to cost reduction by restructuring the team and making several roles redundant. The proposal was accepted unanimously and work commenced immediately with Shropshire HR to support Headway Shropshire through a major organisational restructure. Role profiles were prepared and planning commenced on consultation timeline and communications to people impacted by the changes.

COVID 19 halted these plans on 17 March 2020. Several staff were furloughed and it did not seem appropriate to proceed during these challenging first few weeks.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

At the May Board meeting we reforecast our 2020 budget and that clearly showed a significant impact on our planned assumptions regarding recruitment of new clients and our outturn was forecast at a loss of £270K.

We concluded that the restructure needed to proceed as soon as possible for Headway Shropshire to have any chance of viability by the year end.

Work was undertaken to restructure the team and 'mothball' the Rehabilitation Centre until it is safe for both our clients and colleagues to practice safe social distancing.

Public benefit

Details as to how the charity's activities are for the public benefit are provided in the objectives and activities section above. The trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Volunteers

We can have up to 15 Board Members who are all volunteers, however, the board have agreed that there will be no more than 12 elected trustees at one time to allow for a balanced working group.

Our Day Services closed in March 2020 due to the pandemic. However, in September 2021 we are relaunching our Community Wellbeing Centre and will be looking to increase the number of volunteers to support the delivery of activities that will help our clients with their recovery plans 'to be the best they can be'.

Future Developments

There are a number of important developments that have continued on into 2021 that will be key to the future of our client service provision. Not least of the appointment of a new permanent CEO to lead the organisation with Susan Hughes standing down from the board to take on this vital role. In conjunction with Herefordshire Headway, we have introduced a new Headway at Home programme, providing tablets specifically configured for people with ABIs to enable support for those not physically able to attend the centre. There are also plans at an advanced stage to relaunch the day centre. This is not going to be simply reopening the centre on a similar basis to earlier years. We understand that going forward there will be changes needed with physical changes made to make the centre safer for users in the light of a future which will still have concerns over Covid transmission and a much greater emphasis on re-enablement training. The later will be particularly important in maintaining funding into the future, as expected pressure on health and social care budgets will almost certainly result in much higher expectations in terms of value for money for services than has ever been seen before. We have been hugely fortunate with both these projects to have secured National Lottery funding to support their implementation and we would like to take this opportunity to sincerely thank the National Lottery for its most generous support.

FINANCIAL REVIEW

Financial position

For the year under review, income from charitable activities totalled £1,160,339 (2019: £1,715,495) with voluntary income of £8,756 (2019: £117,473). Charitable activities direct costs were £1,179,834 (2019: £1,556,139), management and administration costs of charitable activities were £113,599 (2019: £201,532) and running cost and building maintenance totalled £78,076 (2019: £79,316). Governance costs were £8,842 (2019: £8,454).

As shown in the Statement of Financial Activities on page 12, this generated a net deficit of £211,256 for the year (2019: £12,473).

Principal funding sources

Community Wellbeing Centre services are charged per day. We have been granted some National Lottery Community Funding that has enabled us to reopen these facilities in 2021.

ABICS is charged at an hourly rate agreed by the commissioning agents dependent on the needs of the client.

Our Headway at Home service is a streaming service for clients - introduced during the pandemic - where clients could watch a live stream of activities including Exercise, Music, Book Club and Social meeting utilising Zoom type technology on a bespoke tablet designed for ease of use.

All other funding is through the generosity of people who fundraise and donate to us.

Investment policy and objectives

The Articles of Association and Trust Deed authorises the trustees to make, hold and change investments at their discretion.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Reserves policy and going concern

The Charity Commission recommends reserves to be held to allow for six months running costs in the event of liquidation. Our estimate of the value of six months running costs is currently £690,000. The overall unrestricted funds at the end of 2020 are £323,602, which we hope to continue to build up to meet the level recommended by the Charity Commission.

The total funds held by the charity at 31 December 2020 are £509,310, this includes restricted funds of £149,304 relating to the Headway House building and £36,404 relating to the Lottery Fund..

All our care packages are highly tailored and in the most acute cases can require teams of up to 10 staff to one client to provide the required level of care 24 hours every day. Changes in clients' conditions could result in rapid changes in staffing requirements for the organisation. Whilst it has not happened to date, there remains a possibility that this could mean staff redundancies in the future, although it is anticipated that it is more likely there would be the possibility of reassigning the team members concerned to new clients. On that basis we consider it prudent to designate £200,000 of the unrestricted funds to cover possible redundancy payments.

Most of the funding for clients' care and rehabilitation comes from the NHS or the relevant local authority. This makes the organisation vulnerable where public money going to those bodies becomes increasingly restricted. In addition it is often the case that changes in a client's condition can mean that they cease to be funded by one body and become the financial responsibility of another. This process can result in delays in funding payments being received. On this basis it is vital that sufficient cash is retained in the organisation to allow for temporary delays in the collection of funds due and to give time to adjust to varying funding levels. Therefore we aim to hold 2 months of running costs, approximately £230,000, on deposit in addition to ensuring that sufficient funds are on hand in the current account to meet all liabilities as they fall due. At 31 December 2020 the deposit account balances stood at £272,050 and it is planned to continue to increase this incrementally wherever possible.

Maintaining the planned cash and reserves position is likely to become more difficult in the years ahead. Planned increases in the living wage are unlikely to be matched with increased funding and will present a challenge for many care organisations. We are already planning for the impact of the changes in required pay rates and are mindful of the need to try to fairly reward our staff for the exceptional quality of care and support provided by our staff year on year.

The Trustees have reviewed the circumstances of Headway Shropshire and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The Trustees are of the view that the charity is a going concern, but acknowledge the considerable challenges which face the organisation as a result of the adverse CQC inspection report in 2019 and the impact of COVID 19 operating restrictions, as explained further in the 'Objectives and Activities' section of this report and in note 2.

Free Reserves

At 31 December 2020 the charity's freely available reserves totalled £123,602 (2019: £344,542) (being the total unrestricted reserves of £323,602 less the designated reserve of £200,000).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Appointment of Trustees / Directors

The trustees are appointed by the voting members of the charity at the annual general meeting. Trustees may serve for three consecutive years and then re-stand for election.

Organisational structure and decision making

The trustees govern the charity through a management board. The management board employ a full-time Chief Executive as operational manager. The organisational structure of the charity is clearly shown in our organisation chart available in our Headway Standards.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

All operational decisions are made with the authorisation of the Chief Executive. Strategic decisions and/or those with a financial implication of over £1,000 are made by the Headway Shropshire Board.

Induction and training of new trustees

All Board members receive an induction pack before their first meeting which includes:

- Minutes of the previous three board meetings (more available on request)
- Our memorandum and articles of association
- A role description
- Meeting and events dates for the current year
- Confidentiality form
- DBS disclosure application form
- Trustee declaration
- Information for Companies House
- Copy of the last newsletter
- Business plan
- Last annual report
- The Essential Trustee: An introduction
- The Essential Trustee: What you need to know

Key management remuneration

Remuneration for key management personnel is discussed at the Board meetings on an annual basis.

Wider network

Headway Shropshire is a charity affiliated to Headway - The Brain Injury Association. As an affiliate we sign up to all of Headway's policies and procedures. We are also audited by them annually to ensure we are meeting their standards. We benefit from receiving some of our insurance through them along with legal employment advice from Irwin Mitchell for which we make an annual payment to Headway.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and have ensured that appropriate systems and procedures are in place to manage those risks and to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04884834 (England and Wales)

Registered Charity number

1100376

Registered office

Headway House
Holsworth Park
Oxon Business Park
Shrewsbury
Shropshire
SY3 5HJ

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

J Ankers

Mrs S Ramsay Deputy chair (resigned 10.5.21)

Mrs S Stewart (resigned 11.3.20)

T Lunt

Mrs G Kinsey

D Birch

N Pulker Chair (appointed 12.3.20)

Ms S D Hughes (appointed 14.5.20) (resigned 10.5.21)

A Edwards (appointed 1.2.21)

Trustees are also directors of the company.

Company Secretary

D Birch (resigned 10.5.21)

T Lunt (appointed 10.5.21)

Chief Executive Officer

Ms S D Hughes (appointed 10.5.21)

Auditors

D.R.E. & Co. (Audit) Limited

6 Claremont Buildings

Claremont Bank

Shrewsbury

Shropshire

SY1 1RJ

The Company is registered with the Charity Commissioners for England and Wales as a charity; its registered number is 1100376.

The Company is limited by guarantee and does not have a share capital. Its registered company number is 4884834.

The charity is an affiliated member of the national charity Headway - the brain injury association (registered no. 2346893).

TRUSTEES' RESPONSIBILITY STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES' RESPONSIBILITY STATEMENT - continued

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, D.R.E. & Co. (Audit) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 27 October 2021 and signed on its behalf by:

T Lunt - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEADWAY SHROPSHIRE (REGISTERED NUMBER: 04884834)**

Opinion

We have audited the financial statements of Headway Shropshire (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty 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.

We draw attention to note 2 of the financial statements, which describes matters which indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEADWAY SHROPSHIRE (REGISTERED NUMBER: 04884834)**

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEADWAY SHROPSHIRE (REGISTERED NUMBER: 04884834)**

Our 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 a Report of the Independent Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the care sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity SORP (FRS102), employment, environmental and health and safety legislation and the Care Quality Commission regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators: The Charity Commission and The Care Quality Commission.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEADWAY SHROPSHIRE (REGISTERED NUMBER: 04884834)**

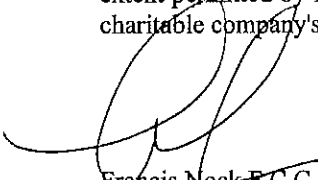
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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



Francis Noel F.C.C.A. (Senior Statutory Auditor)
for and on behalf of D.R.E. & Co. (Audit) Limited
6 Claremont Buildings
Claremont Bank
Shrewsbury
Shropshire
SY1 1RJ

27 October 2021

HEADWAY SHROPSHIRE**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	8,756	-	8,756	117,473
Charitable activities	4				
Local authority grants received		-	36,193	36,193	-
Rehabilitation and Re-ablement centre		52,289	-	52,289	196,603
Miscellaneous income		3,028	-	3,028	573
ABICS		964,349	-	964,349	1,513,328
Fundraising and marketing		1,932	-	1,932	4,991
COVID-19 Job Retention Scheme grant		66,144	-	66,144	-
Lottery grants		-	36,404	36,404	-
Total		1,096,498	72,597	1,169,095	1,832,968
EXPENDITURE ON					
Charitable activities	5				
Rehabilitation and Re-ablement centre		329,358	15,728	345,086	286,831
ABICS		988,080	47,185	1,035,265	1,503,269
Outreach		-	-	-	29,542
Fundraising and marketing		-	-	-	25,799
Total		1,317,438	62,913	1,380,351	1,845,441
NET INCOME/(EXPENDITURE)		(220,940)	9,684	(211,256)	(12,473)
RECONCILIATION OF FUNDS					
Total funds brought forward		544,542	176,024	720,566	733,039
TOTAL FUNDS CARRIED FORWARD		323,602	185,708	509,310	720,566

The notes form part of these financial statements

HEADWAY SHROPSHIRE (REGISTERED NUMBER: 04884834)**BALANCE SHEET**
31 DECEMBER 2020

	Notes	31.12.20 £	31.12.19 £
FIXED ASSETS			
Tangible assets	11	195,359	229,071
CURRENT ASSETS			
Debtors	12	113,055	127,780
Cash in hand		272,050	465,173
		<u>385,105</u>	<u>592,953</u>
CREDITORS			
Amounts falling due within one year	13	(71,154)	(101,458)
		<u>313,951</u>	<u>491,495</u>
NET CURRENT ASSETS			
		<u>509,310</u>	<u>720,566</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>509,310</u>	<u>720,566</u>
NET ASSETS			
		<u>509,310</u>	<u>720,566</u>
FUNDS	16		
Unrestricted funds		323,602	544,542
Restricted funds		185,708	176,024
TOTAL FUNDS		<u>509,310</u>	<u>720,566</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 27 October 2021 and were signed on its behalf by:

T Lunt - Trustee

HEADWAY SHROPSHIRE**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(193,013)</u>	<u>75,567</u>
Net cash (used in)/provided by operating activities		<u>(193,013)</u>	<u>75,567</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(110)</u>	<u>(1,158)</u>
Net cash used in investing activities		<u>(110)</u>	<u>(1,158)</u>
 Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>465,173</u>	<u>390,764</u>
Cash and cash equivalents at the end of the reporting period		<u>272,050</u>	<u>465,173</u>

HEADWAY SHROPSHIRE**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2020**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.12.20	31.12.19
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(211,256)	(12,473)
Adjustments for:		
Depreciation charges	33,822	34,627
Decrease in debtors	14,725	40,005
(Decrease)/increase in creditors	(30,304)	13,408
Net cash (used in)/provided by operations	<u>(193,013)</u>	<u>75,567</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	465,173	(193,123)	272,050
	<u>465,173</u>	<u>(193,123)</u>	<u>272,050</u>
Total	<u>465,173</u>	<u>(193,123)</u>	<u>272,050</u>

HEADWAY SHROPSHIRE

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

Headway Shropshire is a charitable company, limited by guarantee, registered in England & Wales. The charitable company's registered number and registered office address can be found within the reference and administrative details section of the Report of the Trustees.

The charitable company's principal place of business is the registered office address.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements are for the individual entity only.

The financial statements are presented in Sterling (£), rounded to the nearest £1.

The trustees have considered the considerable uncertainties facing the organisation, arising from the adverse CQC inspection report published in 2019, which concluded that the organisation required improvement in a number of key areas. Restructuring plans were put in place in an attempt to address the issues faced with staffing and service delivery, and a considerable deficit has been budgeted for in the forthcoming financial year.

The impact of COVID 19 operating restrictions has required the Board to reconsider their plans and the rehabilitation centre has been closed and mothballed since March 2020, until such a time that it can be re-opened safely. This closure has resulted in a further negative impact upon cash flows and budgets, along with the additional costs arising from the challenges posed to operations from COVID 19 operating regulations. Further details are provided in the report of the trustees.

Whilst the trustees are expecting a considerable deficit position to occur in the forth-coming financial year, whilst they continue to carry out restructuring operations to address CQC deficiencies and deal with the COVID 19 challenges, they have concluded that the organisation has sufficient resources to address these issues and put the organisation in a position that safeguards its longer term future. On this basis the trustees have concluded that the going concern basis of preparation is appropriate, but that material uncertainties exist.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, and performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

During the year, the charity received government grants of £66,144 under the Coronavirus Job Retention Scheme (CJRS), National Lottery grants of £36,404 and local authority funding of £36,193, which is recognised in income.

The charity also receives most of its funding for client care and rehabilitation from the NHS or the relevant local authority.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include management costs and running costs and building maintenance. The bases on which support costs are allocated to the different charitable activities are set out below:

Management costs: Rehabilitation and Re-ablement centre 25% (2019: 25%); ABICS 75% (2019: 70%); Outreach 0% (2019: 2.5%); Fundraising 0% (2019: 2.5%). The allocation is based on the amount of management time spent in relation to each activity.

Running costs and building maintenance: Rehabilitation and Re-ablement centre 25% (2019: 77%); ABICS 75% (2019: 20%); Outreach 0% (2019: 1%); Fundraising 0% (2019: 2%). The allocation is based on the amount of floor space within and around Headway House which is occupied by each activity.

Tangible fixed assets

Tangible fixed assets are included at cost and depreciation is provided at the following annual rates and methods in order to write off assets over their estimated useful life.

Long leasehold land	Not depreciated
Long leasehold buildings	5% straight line
Furniture and equipment	15% straight line
Website development costs	Over 5 years

The trustees review tangible fixed assets for impairment on an annual basis.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for a particular purpose or specific activity being undertaken by the charity.

The nature and purpose of each fund is explained in note 16.

Pensions

The charity provides a stakeholder pension scheme for permanent staff members. The scheme operates on a defined contribution basis and the assets and liabilities of the scheme are held separately from those of the charity.

VAT

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

Hire purchase and leasing

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

HEADWAY SHROPSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and amounts held in bank current and savings accounts.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The charity 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.

Significant judgements and estimates

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets and note 2 for the useful economic lives for each class of assets.

The charitable company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 12 for the carrying amount of debtors.

The charitable company makes a significant judgement when allocating support costs to the different charitable activities. The charity initially identifies the costs of its support functions. The support costs are then apportioned between the key charitable activities as explained in note 2.

3. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donations	8,756	117,473

HEADWAY SHROPSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.20	31.12.19
	Activity	£	£
Grant income	Local authority grants received	36,193	-
Headway house attendance fees	Rehabilitation and Re-ablement centre	52,289	196,603
Miscellaneous income	Miscellaneous income	3,028	573
ABICS	ABICS	964,349	1,513,328
Fundraising	Fundraising and marketing	1,932	4,991
Grant income	COVID-19 Job Retention Scheme grant	66,144	-
Grant income	Lottery grants	36,404	-
		<u>1,160,339</u>	<u>1,715,495</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Rehabilitation and Re-ablement centre	294,958	50,128	345,086
ABICS	884,876	150,389	1,035,265
	<u>1,179,834</u>	<u>200,517</u>	<u>1,380,351</u>

6. SUPPORT COSTS

	Management	Other	Governance costs	Totals
	£	£	£	£
Rehabilitation and Re-ablement centre	28,399	19,518	2,211	50,128
ABICS	85,200	58,558	6,631	150,389
	<u>113,599</u>	<u>78,076</u>	<u>8,842</u>	<u>200,517</u>

The material categories of expenditure included within support costs are:

	2020	2019
	£	£
Staff costs	60,629	141,096
Insurance	7,252	9,646
Establishment costs	19,620	18,823
Cleaning	6,229	11,003
Depreciation of assets	33,822	34,626
Consumable equipment and repairs	11,153	5,218
Auditors' remuneration	8,842	8,454
Legal and professional fees	39,113	35,342
Printing, stationery and postage	4,132	6,033
Telephone	5,158	2,703
Sundries	1,532	640
Bank charges	1,606	2,005

HEADWAY SHROPSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Auditors' remuneration	8,842	8,454
Depreciation - owned assets	33,822	34,626

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

9. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	1,064,191	1,445,448
Social security costs	75,146	108,226
Other pension costs	24,855	35,472
	<u>1,164,192</u>	<u>1,589,146</u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Administration	3	6
Rehabilitation and Re-ablement centre	6	8
Outreach	1	1
ABICS	42	61
Fundraising	-	1
	<u>52</u>	<u>77</u>

No employees received emoluments in excess of £60,000.

Pension contributions are allocated between direct costs of charitable activities and support costs, according to the roles of the employees.

The average monthly number of full time employees during the year was 45 (2019: 69).

HEADWAY SHROPSHIRE**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	117,473	-	117,473
Charitable activities			
Rehabilitation and Re-ablement centre	196,603	-	196,603
Miscellaneous income	573	-	573
ABICS	1,513,328	-	1,513,328
Fundraising and marketing	4,991	-	4,991
Total	1,832,968	-	1,832,968
EXPENDITURE ON			
Charitable activities			
Rehabilitation and Re-ablement centre	266,804	20,027	286,831
ABICS	1,498,068	5,201	1,503,269
Outreach	106	29,436	29,542
Fundraising and marketing	25,279	520	25,799
Total	1,790,257	55,184	1,845,441
NET INCOME/(EXPENDITURE)	42,711	(55,184)	(12,473)
Transfers between funds	(29,176)	29,176	-
Net movement in funds	13,535	(26,008)	(12,473)
RECONCILIATION OF FUNDS			
Total funds brought forward	531,007	202,032	733,039
TOTAL FUNDS CARRIED FORWARD	544,542	176,024	720,566

HEADWAY SHROPSHIRE**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2020**11. TANGIBLE FIXED ASSETS**

	Long leasehold land and buildings £	Furniture and equipment £	Website development costs £	Totals £
COST				
At 1 January 2020	605,725	119,184	2,386	727,295
Additions	-	110	-	110
At 31 December 2020	605,725	119,294	2,386	727,405
DEPRECIATION				
At 1 January 2020	403,979	91,859	2,386	498,224
Charge for year	26,720	7,102	-	33,822
At 31 December 2020	430,699	98,961	2,386	532,046
NET BOOK VALUE				
At 31 December 2020	175,026	20,333	-	195,359
At 31 December 2019	201,746	27,325	-	229,071

Long leasehold land at a cost of £60,000 is included in the net book value of £175,026 (2019: £201,746). The lease is due to expire on 31st May 2992. Leasehold buildings represents Headway House, a property purchased for the furtherance of the charitable objectives.

The building is held for consumption and not investment purposes, so the trustees have not incurred the expense of formally establishing its market value at 31st December 2020.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Other debtors	99,350	111,445
Prepayments	13,705	16,335
	113,055	127,780

HEADWAY SHROPSHIRE**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2020**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade creditors	16,133	20,673
Social security and other taxes	20,677	19,168
Accruals and deferred income	29,289	43,694
Other creditors	5,055	17,923
	71,154	101,458

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	1,856	2,137
Between one and five years	928	2,784
	2,784	4,921

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.12.20 Total funds	31.12.19 Total funds
	£	£	£	£
Fixed assets	80,333	115,026	195,359	229,071
Current assets	314,423	70,682	385,105	592,953
Current liabilities	(71,154)	-	(71,154)	(101,458)
	323,602	185,708	509,310	720,566

HEADWAY SHROPSHIRE**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2020**16. MOVEMENT IN FUNDS**

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
Designated Fund - Termination fund			
	200,000	-	200,000
Undesignated Fund - General Reserve			
	344,542	(220,940)	123,602
	<u>544,542</u>	<u>(220,940)</u>	<u>323,602</u>
Restricted funds			
Headway House building fund			
	176,024	(26,720)	149,304
Lottery Fund - Ipad			
	-	36,404	36,404
	<u>176,024</u>	<u>9,684</u>	<u>185,708</u>
TOTAL FUNDS	<u><u>720,566</u></u>	<u><u>(211,256)</u></u>	<u><u>509,310</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Undesignated Fund - General Reserve			
	1,096,498	(1,317,438)	(220,940)
Restricted funds			
Headway House building fund			
	-	(26,720)	(26,720)
Lottery Fund - Ipad			
	36,404	-	36,404
Local Authority Covid Grant Funding	36,193	(36,193)	-
	<u>72,597</u>	<u>(62,913)</u>	<u>9,684</u>
TOTAL FUNDS	<u><u>1,169,095</u></u>	<u><u>(1,380,351)</u></u>	<u><u>(211,256)</u></u>

HEADWAY SHROPSHIRE**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****16. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
Designated Fund - Termination fund				
	200,000	-	-	200,000
Undesignated Fund - General Reserve				
	331,007	42,711	(29,176)	344,542
	531,007	42,711	(29,176)	544,542
Restricted funds				
Headway House building fund				
	202,032	(26,008)	-	176,024
Outreach Grant Fund				
	-	(29,176)	29,176	-
	202,032	(55,184)	29,176	176,024
TOTAL FUNDS	733,039	(12,473)	-	720,566

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Undesignated Fund - General Reserve			
	1,832,968	(1,790,257)	42,711
Restricted funds			
Headway House building fund			
	-	(26,008)	(26,008)
Outreach Grant Fund			
	-	(29,176)	(29,176)
	-	(55,184)	(55,184)
TOTAL FUNDS	1,832,968	(1,845,441)	(12,473)

HEADWAY SHROPSHIRE**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2020**16. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
Designated Fund - Termination fund				
	200,000	-	-	200,000
Undesignated Fund - General Reserve				
	331,007	(178,229)	(29,176)	123,602
	<u>531,007</u>	<u>(178,229)</u>	<u>(29,176)</u>	<u>323,602</u>
Restricted funds				
Headway House building fund				
	202,032	(52,728)	-	149,304
Lottery Fund - Ipad				
	-	36,404	-	36,404
Outreach Grant Fund				
	-	(29,176)	29,176	-
	<u>202,032</u>	<u>(45,500)</u>	<u>29,176</u>	<u>185,708</u>
TOTAL FUNDS	<u><u>733,039</u></u>	<u><u>(223,729)</u></u>	<u><u>-</u></u>	<u><u>509,310</u></u>

HEADWAY SHROPSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Undesignated Fund - General Reserve	2,929,466	(3,107,695)	(178,229)
Restricted funds			
Headway House building fund	-	(52,728)	(52,728)
Lottery Fund - Ipad	36,404	-	36,404
Outreach Grant Fund	-	(29,176)	(29,176)
Local Authority Covid Grant Funding	36,193	(36,193)	-
	<u>72,597</u>	<u>(118,097)</u>	<u>(45,500)</u>
TOTAL FUNDS	<u><u>3,002,063</u></u>	<u><u>(3,225,792)</u></u>	<u><u>(223,729)</u></u>

UNRESTRICTED FUNDS

The termination fund consists of £200,000 (2019: £200,000) allocated funds to meet redundancy costs if there were dramatic changes in the charity's circumstances and which would also be available along with the remaining unrestricted funds in the event of a winding up. Overall the current unrestricted funds of the charity are below the 6 months of running costs as recommended by the Charity Commission, but the trustees aim to continue to build up unrestricted reserves to achieve the level recommended by the Charity Commission.

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.

RESTRICTED FUNDS

The Headway House building fund is to be applied wholly for the purchase of Headway House to enable the charitable objectives of the organisation to be continued and improved. The fund includes past donations towards the cost of building a new Headway House, although these plans are currently on hold.

The Lottery Ipad fund relates to a Lottery Fund grant for the purchase of Ipads for clients, to enable them to remain in contact with the charity while the Re-habilitation and Re-ablement centre is closed due to COVID-19 restrictions. The funds were used to purchase Ipads in 2021.

The Local authority covid grant fund relates to assistance provided during the year in respect of increased operating costs, including temporary staff costs and PPE. All funding has been fully utilised during the year.

HEADWAY SHROPSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2020**

17. RELATED PARTY DISCLOSURES

Key Management Personnel Remuneration

Included within wages and salaries is remuneration of £108,261 (2019: £165,596) in respect of key management personnel.

During the year, the charity was charged consultancy fees of £17,302 by Headway Herefordshire, in respect of the provision of key management personnel services

18. ULTIMATE CONTROLLING PARTY

The charity is controlled by the Trustees.

19. INDEMNITY INSURANCE

The charity has expended £7,252 (2019: £9,646) during the year on insurance. The policy includes indemnity insurance to protect the charity and its trustees against the consequences of claims arising as a result of neglect or default in their respective duties.

20. SHARE CAPITAL

The charity is limited by guarantee, and as such has no share capital. All members of the charity guarantee to contribute £1 in the event of a winding up.

HEADWAY SHROPSHIRE**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	8,756	117,473
Charitable activities		
Headway house attendance fees	52,289	196,603
Miscellaneous income	3,028	573
ABICS	964,349	1,513,328
Fundraising	1,932	4,991
Grant income	138,741	-
	1,160,339	1,715,495
Total incoming resources	1,169,095	1,832,968
 EXPENDITURE		
Charitable activities		
Wages	1,008,992	1,317,793
Social security	71,442	98,389
Pensions	23,129	31,868
Training	7,176	2,908
Membership fees	975	728
Telephone	173	251
Printing, stationery and postage	326	2,067
Legal and professional fees	1,080	-
Travelling	22,429	53,525
Sundries	3,193	5,522
Health and safety	1,709	-
Bad debts	(2,174)	11,607
Consumable equipment and repairs	13,603	16,635
Establishment costs	607	1,000
Cleaning	6,866	3,257
Medical Equipment	2,320	-
Subcontracting costs	17,988	10,589
	1,179,834	1,556,139
 Support costs		
Management		
Wages	55,199	127,655
Social security	3,704	9,837
Pensions	1,726	3,604
Training	350	11,940
Membership fees	320	614
Legal and professional fees	39,113	35,342
Telephone	5,158	2,703
Carried forward	105,570	191,695

HEADWAY SHROPSHIRE**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 £	31.12.19 £
Management		
Brought forward	105,570	191,695
Printing, stationery and postage	4,132	6,033
Travelling	214	-
Sundries	1,532	640
Health and safety	545	1,159
Bank charges	1,606	2,005
	113,599	201,532
 Other		
Consumable equipment and repairs	11,153	5,218
Insurance	7,252	9,646
Establishment costs	19,620	18,823
Cleaning	6,229	11,003
Depreciation of long leasehold land and buildings	26,720	26,007
Depreciation of furniture and equipment	7,102	8,402
Depreciation of website development costs	-	217
	78,076	79,316
 Governance costs		
Auditors' remuneration	8,842	8,454
Total resources expended	1,380,351	1,845,441
Net expenditure	(211,256)	(12,473)