

COMPANY REGISTRATION NUMBER: 04027768
CHARITY REGISTRATION NUMBER: 1084715



Headway East Sussex Ltd
Company Limited by Guarantee
Financial Statements
31st March 2020

Headway East Sussex Ltd
Company Limited by Guarantee
Financial Statements
Year ended 31st March 2020

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Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

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 2020.

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

Our purpose at Headway East Sussex (HES) continues to be to offer rehabilitation and support services for people with brain injuries, their families and carers. We help people who suffer a brain injury from many different causes including stroke, accident, tumour, sporting injury or assault.

We aim to provide a range of day 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 East Sussex including Brighton & Hove, and the West Sussex borders.

I am pleased with the progress that we have made so far in building our new model of providing services in local communities and whilst this is now on hold due to the Coronavirus pandemic we will continue to develop this approach when it is safe to do so. Up until the middle of March for this year we had delivered a huge amount of support including almost 3,800 days of support at our centre in Newick, over 8,000 hours of Outreach support and 104 individuals and families were supported through visits to Princess Royal Hospital in Haywards Heath. We also held 23 support groups in Eastbourne and Brighton to assist clients to focus on progressing in their lives.

This is the hard evidence of what we do year after year and the impact the charity has had. It is made possible by the dedication and loyalty of the employees of Headway East Sussex who have demonstrated time and time again that their daily focus on looking after our clients is always at the forefront of their minds.

During the year the trustees and directors were in regular discussion regarding the top-level management of the charity and it was agreed that a single post of Chief Executive was required to drive forward the changes needed by the charity. This led to the recruitment of a Chief Executive in January 2020 to take on the task of leading the charity forward.

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

Despite the restrictions and limitations that will arise from the Coronavirus pandemic we remain very confident about the outlook for the charity over the next year and we have a clear strategy on how to adapt and reorganise our services once the time is right.

Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

CHIEF EXECUTIVE'S AND DIRECTOR'S REPORT

Following on from 2018/19, the Directors started the year by progressing restructuring plans to change the model of service delivery to one which will see clients supported closer to home within their own communities and to reduce expenditure. During the year:

- The staff team were taken through a redundancy process with certain posts being taken out of the organisation. New roles with different responsibilities were available and some staff successfully applied for these roles.
- The area served by the charity was split geographically, with two locality managers being appointed to cover the Lewes & High Weald area and the Eastbourne area. In August 2019 a locality manager was recruited for Brighton & Hove.
- The locality managers took over the running of the individual outreach service for their respective areas, with the creation of area-based teams of staff to provide more continuity in service provision.
- The Brighton and Eastbourne locality managers found premises to commence group sessions, focussing on offering activities to those receiving outreach to enable these clients to socialise with others.

Progress was slower than planned due to problems in locating suitable premises. Groups started up in both Brighton and Eastbourne by the beginning of 2020 although these did not generate budgeted levels of income required.

The Directors were pleased to bring into the charity the skills and experience offered by the appointment of a new Chief Executive. Despite the impact and temporary interruption of Covid 19 on progress with development of the charity, this is also viewed as a positive opportunity to push forward with the planned 'Reaching Out to Communities' changes and to target our fundraising to deliver a new 'Living Well Programme' in a wider range of venues. This will offer client members more choice and control with greater focus on personal wellbeing.

Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

OUR YEAR AT HEADWAY EAST SUSSEX

The year at a glance:

- 23 Support Groups were held in Brighton and Eastbourne with continuing good levels of attendance.
- the Headway Counselling Service ceased at the end of April 2019 and since then staff have been working with clients to access counselling in the community.
- The locality managers began building relationships with other voluntary sector organisations that support family carers, especially Care for the Carers.
- The Hospital Liaison Service funded by the Sobell Foundation, has continued to operate at Princess Royal Hospital, Haywards Heath within the out-patient clinic and in-patient wards. 104 individuals and families were supported during the year.
- At the Newick Centre, the day service was reduced to 3 days per week offering focussed activities including the flourishing Art Group, Drama & Movement therapy and Woodwork. Complementary Therapies of Yoga and Tai Chi remained a popular part of the Wellbeing programme. A total of 3,771 (2019:4,355) support days were provided at the centre.
- The gym continued as a main part of the 'Wellbeing' programme, offering both group and private sessions backed up by access to neuro-physiotherapy.
- The new area-based teams have delivered 8,448 (2019:9,305) hours of 1:1 Outreach during the year and have introduced 1:2 sessions bringing together two clients with similar interests such as bowling.
- Rediscover Groups were held at Newick for clients with moderate support needs focusing on achieving optimum independence, reintegrating into their communities and returning to work
- Speech & Language Therapy input to one client living within a residential care setting has continued in 2019/20 which has been funded through NHS Continuing Health Care (CHC). There has been extension of this service to include new clients in 2019/20.

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

Year ended 31st March 2020

Attendance and participation in:

- Sussex Trauma Network and Rehabilitation sub-group
- Sussex Acquired Brain Injury Forum, with the Charity included on the steering group
- Headway UK regional area meetings
- Local Healthwatch events

Student Placements:

These have been provided for: -

- Occupational Therapy and Social Work students from the University of Brighton
- Medical students from Brighton and Sussex Medical School

Youth Offending Team:

Regular visits from the Youth Offending Team based in Brighton have helped maintain the grounds at Newick during the year

Brain Injury Conference:

The 6th Annual Brain Injury Conference jointly with ASB Aspire was held at The East Sussex National Hotel, Uckfield in June 2019. This conference offered a recognised and valued learning opportunity within the field of Brain Injury and was well attended by a range of health and social care professionals from statutory and voluntary services.

Volunteers:

- During the year, the Charity has benefitted from a band of regular volunteers who contribute their time and skills in working with our clients in the centre and maintaining the grounds at Newick
- We are very grateful for the support of our volunteers who are valued members of the team

Headway East Sussex Ltd

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

Year ended 31st March 2020

GRANTS, DONATIONS AND FUNDRAISING

The Trustees, clients and Headway team would all like thank those who during the year have assisted in fundraising or making donations to the charity. Headway East Sussex would not be able to function without the support and generosity of our donors and fundraisers and the charity's thanks go to:

- The Haywards Heath Lions who chose HES as the charity for their 'Swimarathon' in April 2019 giving an opportunity for clients and staff to take part in the event raising additional funds for the charity. The Lions raised £15,000 and became our 2019/20 sponsor for the gym.
- All the local stores and public houses who hold one of our collecting tins. In total the collecting tins raised over £1,300 in this financial year.
- HES took part in the Waitrose Community Tokens scheme, raising £422.
- Alex Binnie our art facilitator held a fundraising day at his tattoo shop in Brighton raising £1,983.
- The annual Piers Morgan Charity Cricket Match at Newick introduced us to Miss World who made a donation of £5,000 to HES.
- The runners in the 2019 Brighton Marathon raised generous sponsorship towards our gym facility at Newick.
- It is always sad when we lose a client and we are sincerely grateful to families who continue to support us by asking for donations in memory of their loved ones. This year we particularly remember Michael Pont, Belinda Wright, Simon Dennison, Chris Brayley, Joy Bailey and Freddie Poulter and their families for donations totalling £2,700.
- In June HES was the selected charity for the Burgess Hill Bike-ride, offering riders a selection of routes and distances around Burgess Hill. This event raised £2,500.
- Following a visit from Councillor Gauntlet, from Lewes District Council he chose a design from our art group for his 2019 Christmas card and made a donation of £300.
- The sixth ASB Law and Headway East Sussex conference raised £6,060.

The work to obtain trust and foundation funding has continued during the year and the charity's thanks go to:

- East Sussex County Council - Carers Grant: £2,790
- Sobell Foundation to run the Hospital Liaison Service: £15,000 over 3 years
- Green Foundation for £5,000 for the development of our outside gym area
- Postcode Lottery providing £15,275 towards the running of the woodwork room
- The Percy Bilton Foundation who have enabled us to purchase specialised equipment for our kitchens

Headway East Sussex Ltd

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

Year ended 31st March 2020

GOVERNANCE & MANAGEMENT

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

Organisational Management

The Board of Trustees, overseen by the Chair of the Board, takes overall responsibility for the charity. The day-to-day operational management of the charity is now under the direction of the Chief Executive since January 2020 having previously been the shared responsibility of the Director of Rehabilitation and Reablement and the Director of Finance and Business Development. The CEO reports on a bi-monthly basis to the Board and has regular meetings with the Chair.

All managers continue to have defined job profiles to ensure all service areas are appropriately covered with clear lines of accountability.

There continues to be Trustee representation on the Boards' sub-committees to advise on Finance, Standards & Compliance (incorporating governance) and Fundraising & Marketing.

A focus group for service-users has been established to ensure clients and families have a strong voice in the operation and development of the charity. This group has been chaired by the service-user representative on the Trustee Board who reports to the Board at the bi-monthly meetings.

All pay scales, including remuneration for key management staff are discussed by the Finance Committee and reported back to the full Trustee Board for approval.

Headway East Sussex Ltd

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

Year ended 31st March 2020

Trustees

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

Trustee	Occupation	Board Role
Michael Gaughan	Non-Executive Director	Chairman Marketing & Finance
Henrik Bjorn	Retired Banker	Finance
Mark O'Hara	Chartered Accountant	Finance
Sally Hylands	Spouse of service user	Service User Representation Marketing & Fundraising
Lucy Morewood	Marketing Manager	Marketing & Fundraising
Dr John Norris	Consultant Neurosurgeon	NHS engagement
Michele Fleming	Retired Occupational Therapist & former CEO of HES	Marketing & Fundraising
Jonathan Clements	Senior partner in law firm specialising in personal injury	Standards & Compliance
Lynda Brown	HR consultant	Standards & Compliance (Joined July 2019)

The Trustees are recruited on personal recommendation followed by a full recruitment process which involves undergoing an interview and obtaining references and DBS checks. Once appointed, new Trustees are offered an induction period which includes visiting the Newick Centre to learn more about the charity and the services offered.

A skills audit has been undertaken to identify gaps in expertise and new trustees have been recruited accordingly.

The Patron of the Charity is Baroness Julia Cumberlege.

Staff Training

During 2019/20 services were closed for four days to allow mandatory training to be delivered in an efficient manner to all staff at the same time. This has enabled the Charity to meet its requirements for those courses considered mandatory for all staff, and for our Support Workers to progress training in modules for The Care Certificate. The Care Certificate is an agreed set of standards developed jointly by Skills for Care, Health Education England and Skills for Health. Most staff have now completed this training which will continue to be a requirement for all new Wellbeing Support Workers.

Headway East Sussex Ltd

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

Year ended 31st March 2020

Audits and Inspections

There have been no audits or inspections during this period.

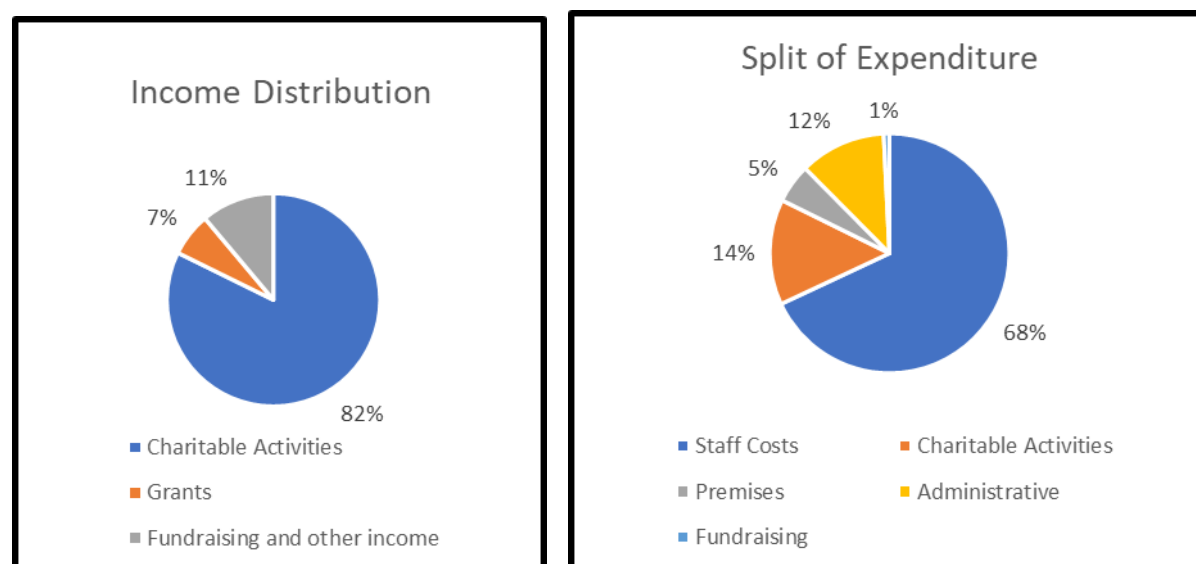
Related Parties

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

FINANCIAL REVIEW OF THE YEAR

The Directors had two main financial aims for 2019/20:

- To restructure the staff to bring staff costs as a percentage of income down from 79% to 75% - staff costs have been reduced to 74% of income for 2019/20.
- To increase the proportion of fundraising, donations and grants as a percentage of total income from 16% to 25% - fundraising and grants comprised 18% of total income for 2019/20.



Following the consultation with staff during February and March 2019 restructuring of the team took place in the first quarter of 2019/20. Although introduction of new community services did not progress as quickly as planned with income from charitable activities having fallen in 2019/20, the management team remain committed to extending community service delivery to improve local access and partnership.

The 2019-2020 deficit in the Statement of Financial Affairs results only after depreciation and one-off final statutory redundancy costs. Having set a break-even budget for the year and achieved reduction in costs, the net position of £11,738 is considered to be within an acceptable level.

Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

Reserves and Investment Policy

Trustees took action at the end of 2018/19 to approach The Charity Bank to obtain a loan drawdown facility to ensure adequate cashflow during restructuring. The facility was approved in July 2019 and by the year end £40,000 had been drawn down to cover the cost of redundancies and to provide the Charity Bank deposit account of £11,250.

Trustees are reviewing the reorganisation of the charity in the light of Covid 19 but believe the pandemic reinforces the importance of services being made available within clients' own communities.

No financial investments were made during this accounting period. The main asset of the Charity remains the freehold property Headway House, Jackies Lane, Newick.

KEEPING THE CHARITY STRONG

Headway East Sussex remains committed to providing a high standard of specialist service for local people living with an acquired brain injury and their family carers. To secure financial sustainability and continue to serve client members effectively it is important that we progress to a viable service delivery model with a combined staff and volunteer team who continue to have the right skills and aptitude at all levels of the organisation.

Priority actions are to: -

- Consolidate a staffing structure which allows flexibility to respond to changing client demand and review and recruit staff with the skills required to achieve high standards.
- Work through partnerships and with more volunteers, widen Headway engagement and retain a strong client customer focus.
- Target support on client rehabilitation, reablement and wellbeing and promote a stronger client and carer voice throughout the charity's Living Well Programme and services.
- Ensure business efficiency, evidence outcomes for clients and remain a trusted provider partner for commissioners of health and social care support.
- Explore funding opportunities to integrate our support more closely with hospital services to expand the Headway Hospital Liaison service.
- Establish a wider Headway membership and raise Headway's profile and digital presence to benefit clients and family carers and help our fundraising.
- Actively expand group and online support to widen service reach and respond to needs of clients in the communities we serve.
- Plan and agree the best option for use of the Newick site.

Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

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

Auditor

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.

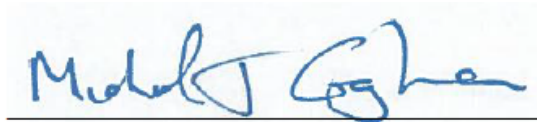
Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

The trustees' annual report and the strategic report were approved on 17 December 2020 and signed on behalf of the board of trustees by:



Michael Gaughan – Chairman and Director

Dated:



Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

Opinion

We have audited the financial statements of Headway East Sussex Ltd (the 'charity') for the year ended 31st March 2020 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 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;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Headway East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

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 East Sussex Ltd

Company Limited by Guarantee

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

Year ended 31st March 2020

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.

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.
- 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.

Headway East Sussex Ltd

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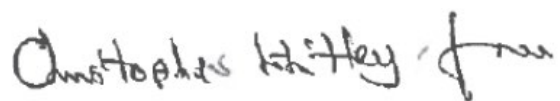
Independent Auditor's Report to the Members of Headway East Sussex Ltd *(continued)*

Year ended 31st March 2020

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.



Date : 12 January 2021

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

Headway East Sussex Ltd

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31st March 2020

		2020				2019
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	42,243	51,695	—	93,938	98,872
Charitable activities	6	442,075	15,793	—	457,868	519,269
Investment income	7	160	—	—	160	199
Other income	8	—	—	4,913	4,913	—
Total income		<u>484,478</u>	<u>67,488</u>	<u>4,913</u>	<u>556,879</u>	<u>618,340</u>
Expenditure						
Expenditure on raising funds:						
Costs of raising donations and legacies	9	5,257	—	—	5,257	39,656
Expenditure on charitable activities	10	<u>521,558</u>	<u>70,707</u>	<u>9,277</u>	<u>601,542</u>	<u>723,640</u>
Total expenditure		<u>526,815</u>	<u>70,707</u>	<u>9,277</u>	<u>606,799</u>	<u>763,296</u>
Net expenditure		<u>(42,337)</u>	<u>(3,219)</u>	<u>(4,364)</u>	<u>(49,920)</u>	<u>(144,956)</u>
Transfers between funds		<u>(2,706)</u>	<u>2,706</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net movement in funds		<u>(45,043)</u>	<u>(513)</u>	<u>(4,364)</u>	<u>(49,920)</u>	<u>(144,956)</u>
Reconciliation of funds						
Total funds brought forward		<u>70,740</u>	<u>1,284</u>	<u>562,537</u>	<u>634,561</u>	<u>779,517</u>
Total funds carried forward		<u>25,697</u>	<u>771</u>	<u>558,173</u>	<u>584,641</u>	<u>634,561</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 page 19 to 28 form part of these financial statements.

Headway East Sussex Ltd
Company Limited by Guarantee
Statement of Financial Position
Year ended 31st March 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible fixed assets	14	582,709	601,921
Current assets			
Stocks	15	1,185	3,575
Debtors	16	70,317	77,060
Cash at bank and in hand		34,728	47,213
		<u>106,230</u>	<u>127,848</u>
Creditors: amounts falling due within one year	17	<u>64,298</u>	<u>95,208</u>
Net current assets		41,932	32,640
Total assets less current liabilities		624,641	634,561
Creditors: amounts falling due after more than one year	18	<u>40,000</u>	<u>—</u>
Net assets		<u>584,641</u>	<u>634,561</u>
Funds of the charity			
Endowment funds		558,173	562,537
Restricted funds		771	1,284
Unrestricted funds		25,697	70,740
Total charity funds	19	<u>584,641</u>	<u>634,561</u>

These financial statements were approved by the board of trustees and authorised for issue on 17 December 2020 and are signed on behalf of the board by:



Michael Gaughan
Trustee and Director

The notes on page 19 to 28 form part of these financial statements.

Headway East Sussex Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31st March 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net expenditure	(49,920)	(144,956)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	19,125	20,691
Dividends, interest and rents from investments	(120)	(100)
Other interest receivable and similar income	(40)	(99)
Interest payable and similar charges	344	–
Accrued expenses	(25,070)	25,915
Gains on disposal of tangible fixed assets	(4,913)	
<i>Changes in:</i>		
Stocks	2,390	185
Trade and other debtors	6,743	(3,269)
Trade and other creditors	(5,840)	1,696
Cash generated from operations	(57,301)	(100,297)
Interest paid	(344)	–
Interest received	40	99
Net cash used in operating activities	<u>(57,605)</u>	<u>(100,198)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	120	100
Proceeds of sale of tangible assets	5,000	–
Net cash from/(used in) investing activities	<u>5,120</u>	<u>100</u>
Cash flows from financing activities		
Proceeds from borrowings	40,000	–
Net cash from financing activities	<u>40,000</u>	<u>–</u>
Net decrease in cash and cash equivalents	(12,485)	(100,098)
Cash and cash equivalents at beginning of year	<u>47,213</u>	<u>147,311</u>
Cash and cash equivalents at end of year	<u>34,728</u>	<u>47,213</u>

The notes on page 19 to 28 form part of these financial statements.

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

1. General information

The charity is 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 Charities Act 2011.

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 £49,920 the balance sheet is solvent. The Trustees Report details the restructuring 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 December 2021 and the cash balances available including a loan drawdown facility which has been obtained from The Charity Bank to ensure adequate cashflow while the benefits of restructuring accrue, 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.

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

Management has considered the consequences of COVID-19 and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity'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 East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

3. Accounting policies (*continued*)

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.

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. A professional valuation is obtained for the land and buildings every 5 years.

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:

Land and Buildings	-	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.

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

3. Accounting policies (*continued*)

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.

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.

4. Limited by guarantee

Headway East Sussex Ltd is a private company limited by guarantee.

5. Donations and legacies

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

Headway East Sussex Ltd
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31st March 2020

5. Donations and legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations and Grants 2019			
Unrestricted	9,194	–	9,194
Restricted	–	89,678	86,678
	<u>55,223</u>	<u>43,202</u>	<u>98,872</u>

6. Charitable activities

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

	Unrestricted Funds £	Total Funds 2019 £
Services provided under contract 2019	<u>519,269</u>	<u>519,269</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Rental income	120	120	100	100
Interest receivable	40	40	99	99
	<u>160</u>	<u>160</u>	<u>199</u>	<u>199</u>

8. Other income

	Endowment Funds £	Total Funds 2020 £
Gain on disposal of tangible fixed assets held for charity's own use	<u>4,913</u>	<u>4,913</u>

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

9. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Staff costs	-	-	26,495	26,495
Staging fundraising events	1,698	1,698	4,695	4,695
Advertising and grant commission	3,559	3,559	8,466	8,466
	<u>5,257</u>	<u>5,257</u>	<u>39,656</u>	<u>39,656</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2020 £	Total fund 2019 £
Staff costs		411,175	515,139
Premises		32,766	32,313
Transport		2,619	3,922
Professional fees		3,307	5,323
Printing, stationery and advertising		6,054	7,304
Other expenses		29,445	27,411
Depreciation		19,125	20,692
Bad debts		10,694	374
Governance costs		5,220	5,220
Staff training and recruitment		3,878	5,846
Staff and volunteers expenses		24,168	34,887
Day care food etc.		6,661	8,331
Therapy and care		46,086	56,878
Finance costs		344	-
		<u>601,542</u>	<u>723,640</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	19,125	20,691
Gains on disposal of tangible fixed assets	<u>(4,913)</u>	<u>-</u>

12. Governance costs

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>5,220</u>	<u>5,220</u>

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

13 a. Staff costs

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

	2020	2019
	£	£
Wages and salaries	378,862	478,064
Social security	21,038	29,006
Redundancy provisions	-	25,000
Pension costs	11,275	9,564
	<u>411,175</u>	<u>541,634</u>

The average head count of employees during the year was 26 (2019: 36), this equated to 15.2 full time staff in 2020 (2019: 26.6). No employee received employee benefits of more than £60,000 during the year (2019: 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 of £51,871 (2019: 53,982)

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1st April 2019	613,880	224,960	34,220	873,060
Disposals	(87)	-	-	(87)
At 31st March 2020	<u>613,793</u>	<u>224,960</u>	<u>34,220</u>	<u>872,973</u>
Depreciation				
At 1st April 2019	51,342	200,415	19,382	271,139
Charge for the year	9,278	6,137	3,710	19,125
At 31st March 2020	<u>60,620</u>	<u>206,552</u>	<u>23,092</u>	<u>290,264</u>
Carrying amount				
At 31st March 2020	<u>553,173</u>	<u>18,408</u>	<u>11,128</u>	<u>582,709</u>
At 31st March 2019	<u>562,538</u>	<u>24,545</u>	<u>14,838</u>	<u>601,921</u>

The land and buildings at Jackie's 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 £491,538 are shown at cost less depreciation. Land and buildings of £61,635 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 the year for a gain of £4,913.

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

15. Stocks

	2020	2019
	£	£
Finished goods and goods for resale	<u>1,185</u>	<u>3,575</u>

16. Debtors

	2020	2019
	£	£
Trade debtors	67,676	67,610
Prepayments	2,641	2,395
Accrued income	-	7,055
	<u>70,317</u>	<u>77,060</u>

17. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	14,226	12,129
Accruals	10,546	35,615
Social security and other taxes	8,490	9,645
Other creditors	295	824
Deferred income	30,741	36,995
	<u>64,298</u>	<u>95,208</u>

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

	2020	2019
	£	£
Bank loans and overdrafts	<u>40,000</u>	<u>-</u>

The £40,000 loan is the draw 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.

Headway East Sussex Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2020

19. Analysis of charitable funds

Unrestricted funds

	At 1st April 2019 £	Income £	Expenditure £	Transfers £	At 31st March 2020 £
General funds	<u>70,740</u>	<u>484,478</u>	<u>(526,815)</u>	<u>(2,706)</u>	<u>25,697</u>

Restricted funds

	At 1st April 2019 £	Income £	Expenditure £	Transfers £	At 31st March 2020 £
Advice and Support Services	—	10,793	(11,533)	740	—
Chalk Cliff Trust	1,284	1,580	(1,268)	(1,285)	311
Therapy and Care	—	30,793	(33,015)	2,222	—
Postcode Lottery	—	9,974	(11,003)	1,029	—
Sundry Grants	—	14,348	(13,888)	—	459
	<u>1,284</u>	<u>67,488</u>	<u>(70,707)</u>	<u>2,706</u>	<u>771</u>

Advice and Support Services Grants and donations received from East Sussex County Council, the Sobell Foundation, Sussex Community Fund and Henry Smith for provision of community support workers and counselling.

Chalk Cliff Trust Grant for cooking courses at Chailey Heritage School.

Therapy and Care This includes funds from the Haywards Heath Lion Swimathon and fees collected for gym services to fund gym costs.

Postcode Lottery Funds used for woodwork provision.

Sundry Grants Awards for All grant to cover a Brighton based manager and from Percy Bilton for kitchen refurbishment.

Transfers relate to the excess of costs over the contributions received

Endowment funds

	At 1st April 2019 £	Income £	Expenditure £	Transfers £	At 31st March 2020 £
Freehold Property	<u>562,537</u>	<u>4,913</u>	<u>(9,277)</u>	<u>—</u>	<u>558,173</u>

Headway East Sussex Ltd
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31st March 2020

20. Operating lease commitments

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

	2020	2019
	£	£
Not later than 1 year	3,413	3,413
Later than 1 year and not later than 5 years	3,981	7,394
	<u>7,394</u>	<u>10,807</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.