

Company registration number: 03982496

Charity registration number: 1084323

Headway South East London And North West Kent Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2017

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Headway South East London And North West Kent Limited

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Headway South East London And North West Kent Limited

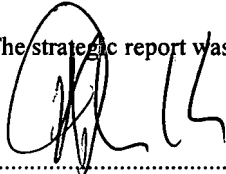
Strategic Report for the Year Ended 31 March 2017

Principal risks and uncertainties

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The strategic report was approved by the trustees of the charity on 20 January 2018 and signed on its behalf by:



.....
Mr D T Marshall
Company Secretary and Trustee

Headway South East London And North West Kent Limited

Strategic Report for the Year Ended 31 March 2017

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2017, in compliance with s414C of the Companies Act 2006.

Achievements and performance

We have again continued to help with advice and support, throughout this year, with numerous people and families who have survived a brain injury. This has been part due to the continued early intervention project and widening our project areas in the surrounding boroughs. We continue to look at new opportunities to expand the services and increase the activities we are able to offer.

Headway SELNWK clients take part in practical voluntary service in the local community. This helps raise awareness and promote self-esteem and confidence but also gives a meaningful interaction with those outside of the charity's service.

It is also important to note that, although these accounts reflect the financial position and activity, a considerable amount of work is conducted by many volunteers, who contribute their time and energy across the organisation.

Financial review

Headway SELNWK had a deficit of £5,341 (2016: Profit £122) in the current year. The total reserve to date is now £291,256 (2016: £296,597). The restricted proportion of the overall reserve is £106,960 (2016: £64,500).

Policy on reserves

It is the policy of the organisation to hold in reserve 3 months operating costs for sustainability. We believe this is prudent given the current economic climate and uncertainty with local council budgets and the work of the CEO in applying and obtaining various external grants. We are now in the third year after our restructure and believe that the organisation will start to break even or make a slight surplus in year four passed on current cashflow projections.

Investment policy and objectives

Our policy is to invest cash surplus to requirement in low risk investments in order to minimise speculative loss in a volatile financial market. We have invested our funds in Bank Deposit accounts.

This policy has resulted in low returns because of our risk aversion policy.

Plans for future periods

Aims and key objectives for future periods

The Trustees intend to continue their current strategies although are aware of the changes that may be forced upon us due to the current economic climate. This said organisation is supporting the development of the service in Medway. Although it is still in its early stages the Trustees will ensure that the resources are managed effectively.

The CEO and senior staff continue to review services to ensure that we continue to meet the needs of our clients and their families.

The trustees need to maintain an equitable balance ensuring our current benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved.

Headway South East London And North West Kent Limited

Trustees' Report

Objectives, strategies and activities

To broaden our services and extend the range of opportunities we offer our clients and families.

To enhance and improve early intervention services.

To continue to develop the services we provide for clients and families.

To increase client numbers at our localised services, in turn developing a more robust localised service.

To provide continuing support to clients and families who move forward in their social rehabilitation.

To continue to develop our community and professional links in regard to co-operation and joint working.

To develop one-to-one vocational community based services.

To play our part in the life of our local community through raising awareness of brain injury issues and the unseen needs of our clients.

Public benefit

The trustees have had regard to the Charities Commission on public benefit and can confirm that the services provided are for the public benefit.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in accounting policies.

Structure, governance and management

Nature of governing document

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

Headway South East London And North West Kent Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2017.

Objectives and activities

Objects and aims

The objectives of Headway SELNWK are the advancement of brain injury community psychosocial services for survivors of brain injuries, their families and carers.

We aim, through our programme of services, to provide first class advice and support service to survivors and families within their own community.

We seek to provide a pathway that develops our clients' capabilities, competences and skills within the community following their injuries, in an environment where each person can develop and fulfil his or her potential, building their self-confidence and inculcating a desire to once again contribute to the wider community. In doing so, we prepare our clients for opportunities, responsibilities and experiences that will arise in the future and help educate and support families to provide on-going support at home.

Our objectives are set to reflect our service aims. It is important to us that we maintain and enhance the success of Headway SELNWK. The objective is, however, set in the context of the broader goals we set for the charity.

Our trustees are responsible for setting a strategy and for achieving the objectives they have set. The focus of our strategy is on development of our services and will enable Headway SELNWK to provide early advice and support, and provide or sign-post a pathway that will enable survivors and families to have the best possible outcome.

Headway SELNWK is a charity which seeks to benefit survivors of brain injury and their families through the pursuit of its stated aims.

Headway SELNWK welcomes survivors and families from all backgrounds.

Criteria are set to ensure that we are satisfied that Headway SELNWK will be able to provide a social rehabilitation service in the best interest of the individual and family to enable positive outcomes in line, where possible, previous clinical assessment and goal planning.

Base line assessments and guest visits are carried out to satisfy ourselves that potential clients have rehabilitation potential so they can cope with the pace of learning and social interaction to be able to benefit from the service we provide.

An individual's economic status, gender, race, religion or disability do not form part of our assessment processes.

We as an equal opportunity organisation are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or clients who are or become disabled.

Headway SELNWK is committed to safeguarding and promoting the welfare of our clients and expects all staff and volunteers to share this commitment. All the charity's staff volunteers are DBS checked. We maintain regular contact with clients and families throughout the year through informal contacts and events and through our news flyer.

Headway South East London And North West Kent Limited

Trustees' Report

Recruitment and appointment of trustees

The recruitment of new trustees is undertaken formally and includes an interview process. New trustees are inducted into their role and given guidance on the role of a Trustee in accordance with guidance issued by the charity commission.

Organisational structure

Headway SELNWK is affiliated to Headway UK, The Brain Injury Association.

Headway South East London And North West Kent Limited

Trustees' Report

Major risks and management of those risks

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Reference and Administrative Details

Trustees	Mr D T Marshall Ms JA Gillard Mr J Ling Miss R Clarkson Mr L Eacott Mrs JA Hendrie Dr L Yaguez
Secretary	Mr D T Marshall
Principal Office	Goldie Leigh Site Headway Lodge Lodge Hill Abbey Wood London SE2 0AY
Company Registration Number	03982496
Charity Registration Number	1084323
Independent Examiner	Oaks Chartered Certified Accountants and Statutory Auditors Bexley House 77 Bexley High St Bexley Kent DA5 1JX

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Headway South East London And North West Kent Limited

Statement of Trustees' Responsibilities

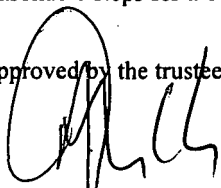
The trustees (who are also the directors of Headway South East London And North West Kent Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 20 January 2018 and signed on its behalf by:



.....
Mr D T Marshall
Company Secretary and Trustee

Headway South East London And North West Kent Limited

Trustees' Report

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

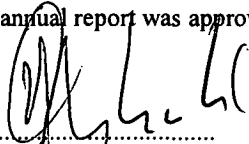
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 20 January 2018 and signed on its behalf by:



.....
Mr D T Marshall

Company Secretary and Trustee

Headway South East London And North West Kent Limited

Independent Auditors' Report to the Members of Headway South East London And North West Kent Limited

We have audited the financial statements of Headway South East London And North West Kent Limited for the year ended 31 March 2017, which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

This report is made solely to the charitable company's trustees, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its results 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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:

Headway South East London And North West Kent Limited

Independent Auditors' Report to the Members of Headway South East London And North West Kent Limited

- 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.



.....
(Senior Statutory Auditor)

For and on behalf of Oaks, Statutory Auditor

Bexley House
77 Bexley High St
Bexley
Kent
DA5 1JX

20 January 2018

Headway South East London And North West Kent Limited

Statement of Financial Activities for the Year Ended 31 March 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:					
Appeals and donations	3	16,896	-	16,896	27,050
Grants receivable	3	-	42,460	42,460	69,235
Grants receivable	3	561,890	-	561,890	483,373
Other trading activities	4	75,863	-	75,863	70,808
Investment income	5	36	-	36	210
Other income		-	-	-	143
Total Income		<u>654,685</u>	<u>42,460</u>	<u>697,145</u>	<u>650,819</u>
Expenditure on:					
Raising funds		(587,376)	-	(587,376)	(469,947)
Charitable activities		(1,773)	-	(1,773)	(23,205)
Other expenditure		<u>(113,337)</u>	<u>-</u>	<u>(113,337)</u>	<u>(157,545)</u>
Total Expenditure		<u>(702,486)</u>	<u>-</u>	<u>(702,486)</u>	<u>(650,697)</u>
Net income/expenditure		<u>(47,801)</u>	<u>42,460</u>	<u>(5,341)</u>	<u>122</u>
Net movement in funds		(47,801)	42,460	(5,341)	122
Reconciliation of funds					
Total funds brought forward		<u>232,097</u>	<u>64,500</u>	<u>296,597</u>	<u>296,475</u>
Total funds carried forward	13	<u>184,296</u>	<u>106,960</u>	<u>291,256</u>	<u>296,597</u>

Headway South East London And North West Kent Limited

Statement of Financial Activities for the Year Ended 31 March 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Appeals and donations	3	27,050	-	27,050
Grants receivable	3	-	69,235	69,235
Grants receivable	3	483,373	-	483,373
Other trading activities	4	70,808	-	70,808
Investment income	5	210	-	210
Other income		143	-	143
Total Income		<u>581,584</u>	<u>69,235</u>	<u>650,819</u>
Expenditure on:				
Raising funds		(400,711)	(69,236)	(469,947)
Charitable activities		(23,205)	-	(23,205)
Other expenditure		(144,177)	(13,368)	(157,545)
Total Expenditure		<u>(568,093)</u>	<u>(82,604)</u>	<u>(650,697)</u>
Net income/(expenditure)		<u>13,491</u>	<u>(13,369)</u>	<u>122</u>
Net movement in funds		13,491	(13,369)	122
Reconciliation of funds				
Total funds brought forward		<u>218,606</u>	<u>77,869</u>	<u>296,475</u>
Total funds carried forward	13	<u>232,097</u>	<u>64,500</u>	<u>296,597</u>

All of the charity's activities derive from continuing operations during the above two periods.

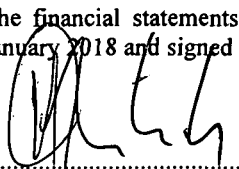
The funds breakdown for 2016 is shown in note 13.

Headway South East London And North West Kent Limited

(Registration number: 03982496)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	58,976	74,109
Current assets			
Debtors	11	148,736	123,175
Cash at bank and in hand		<u>114,792</u>	<u>138,004</u>
		263,528	261,179
Creditors: Amounts falling due within one year	12	<u>31,248</u>	<u>38,691</u>
Net current assets		<u>232,280</u>	<u>222,488</u>
Net assets		<u>291,256</u>	<u>296,597</u>
Funds of the charity:			
Restricted funds		106,960	64,500
Unrestricted income funds			
Unrestricted funds		<u>184,296</u>	<u>232,097</u>
Total funds	13	<u>291,256</u>	<u>296,597</u>

The financial statements on pages 11 to 22 were approved by the trustees, and authorised for issue on 20 January 2018 and signed on their behalf by:


.....
Mr D T Marshall
Company Secretary and Trustee

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Headway South East London And North West Kent Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Improvements to property	10% on cost
Plant and machinery	25% on reducing balance

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Donations and legacies;			
Donations from individuals	16,896	16,896	27,050
	<u>16,896</u>	<u>16,896</u>	<u>27,050</u>

The grants receivable recognised in the financial statements was £604,350 (2016: £552,608).

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

4 Income from other trading activities

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Trading income;			
Shop income from sale of donated goods and services	75,863	75,863	70,808
	<u>75,863</u>	<u>75,863</u>	<u>70,808</u>

5 Investment income

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	36	36	210
	<u>36</u>	<u>36</u>	<u>210</u>

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Audit fees			
Other fees paid to auditors	-	-	7,309
Legal fees	-	-	11,179
Other governance costs	273	273	-
Allocated support costs	1,500	1,500	4,500
	<u>1,773</u>	<u>1,773</u>	<u>22,988</u>

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2017 £	2016 £
Audit fees	1,500	3,750
Depreciation of fixed assets	<u>15,133</u>	<u>16,500</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2016	<u>125,311</u>	<u>61,666</u>	<u>186,977</u>
At 31 March 2017	<u>125,311</u>	<u>61,666</u>	<u>186,977</u>
Depreciation			
At 1 April 2016	62,379	50,489	112,868
Charge for the year	<u>12,531</u>	<u>2,602</u>	<u>15,133</u>
At 31 March 2017	<u>74,910</u>	<u>53,091</u>	<u>128,001</u>
Net book value			
At 31 March 2017	<u>50,401</u>	<u>8,575</u>	<u>58,976</u>
At 31 March 2016	<u>62,932</u>	<u>11,177</u>	<u>74,109</u>

11 Debtors

	2017 £	2016 £
Trade debtors	107,167	120,986
Prepayments	2,891	1,232
Accrued income	33,000	-
Other debtors	<u>5,678</u>	<u>957</u>
	<u>148,736</u>	<u>123,175</u>

Headway South East London And North West Kent Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	8,903	6,587
Other taxation and social security	7,829	7,597
Other creditors	1,110	-
Accruals	13,406	24,507
	<u>31,248</u>	<u>38,691</u>

13 Funds

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Balance at 31 March 2017 £
Unrestricted funds				
<i>General</i>				
Unrestricted funds	232,097	654,685	(702,486)	184,296
Restricted funds				
Restricted funds	<u>64,500</u>	<u>42,460</u>	<u>-</u>	<u>106,960</u>
Total funds	<u>296,597</u>	<u>697,145</u>	<u>(702,486)</u>	<u>291,256</u>
	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Balance at 31 March 2016 £
Unrestricted funds				
<i>General</i>				
Unrestricted funds	218,606	581,585	(568,094)	232,097
Restricted funds				
Restricted funds	<u>77,869</u>	<u>69,235</u>	<u>(82,604)</u>	<u>64,500</u>
Total funds	<u>296,475</u>	<u>650,820</u>	<u>(650,698)</u>	<u>296,597</u>