

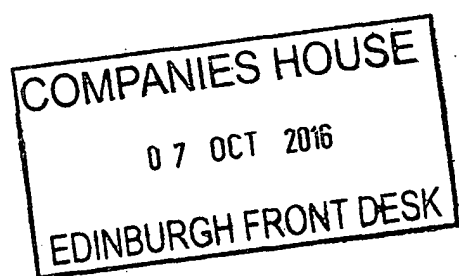
EDINBURGH HEADWAY GROUP

Registered Number: SC138081

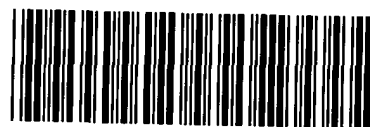
Registered Charity: SC006528

Annual Report and Financial Statements

For the year ended 31 March 2016



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EDINBURGH HEADWAY GROUP
Annual Report and Financial Statements
For the year ended 31 March 2016

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EDINBURGH HEADWAY GROUP
Report of the Directors
For the year ended 31 March 2016

The directors are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006(as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities, effective 1st January 2015.

Chair's Report

"It gives me great pleasure to introduce our report, which details what we have achieved over the past twelve months and our future plans.

Against a background of limited funds, I am delighted to report that we have managed to increase our membership and have exceeded both the number of those attending our day service and the number of those participating in our other services in comparison with 2014/15 targets.

The challenge of generating income, to meet the costs of running our charity, continues and extensive fundraising was carried out by our Chief Executive Officer and our professional fundraiser, Fiona Leishman, to ensure fundraising opportunities were maximised.

Our Chief Executive Officer and Trustees continued to invest in a highly motivated team to focus on our members' needs by providing excellent services and excellent care.

Our future in Headway House remains a major concern. We are all aware that our premises, which are owned by NHS Lothian will be sold as part of the NHS Lothian redevelopment project and this is the largest concern for the Trustees. We do have challenges ahead of us but rest assured we are committed to doing everything we can to secure the future of Edinburgh Headway Group going forward. We trust that our vision and actions will help us to continue to deliver excellent care and excellent services for adults with an acquired brain injury and their families and carers.

I would like to thank all the staff, volunteers, trustees and supporters of Edinburgh Headway Group for delivering our aims and objectives effectively and efficiently. I am extremely proud to see how the charity has risen to the challenge and through the hard work and co-operation of all our supporters and staff and volunteers, I have no doubt that we will emerge stronger and better able to face the future."

*Andrew Ley
Acting Chair*

Aims, objectives and activities

The principal objectives of Edinburgh Headway Group continue to be to:

- Provide rehabilitative services for adults who have suffered certain forms of brain injury which were sudden in onset and occurred after birth;
- Deliver care and support for such persons, their relatives and carers;
- Advance the education of the public in all aspects of brain injury and the consequences thereof.

Those affected by brain injury can be left with a range of physical, cognitive and emotional/behavioural problems which, due to damage in the brain, can be lifelong.

Edinburgh Headway Group is the specialist organisation in Edinburgh which supports the longer term needs of people with brain injury when they have returned to the community after discharge from hospital. We work closely with the Scottish Brain Injury Rehabilitation Unit, the Robert Fergusson Unit (at the Royal Edinburgh Hospital), other Edinburgh hospitals, GPs and social workers to identify those individuals and families who need the charity's support to help reduce their social isolation and encourage their re-integration back into society.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

We provide a range of specialist services in our **Day Service** at Headway House, which are specifically tailored to meet the individual needs of members who have suffered a brain injury and their carers, with a clear focus on improving everyday functioning. Our projects include:

- Independent living skills e.g. cookery classes, managing money, computer skills;
- Physical activity fitness classes e.g. Zumba, Tai Chi;
- One to one gym programmes to provide personalised rehabilitative exercise programmes;
- Art Therapy to offer the opportunity for expression and communication;
- Social opportunities to develop social and cognitive skills;
- Advocacy services to assist members in times of need;
- Complementary Therapies to reduce stress, tension and anxiety;
- Respite services for carers to provide a valuable short break from caring;
- Befriending Project offering a one to one service with the aid of trained and matched volunteers.

Our **Carers Programme** continues to provide support to carers via monthly social events, peer groups and our training and information service. Our day service also continues to provide valuable respite, which is essential for carers to maintain their caring role.

Our **Befriending Project** matched adults with an acquired brain injury (Befriendees) with a trained volunteer (Befrienders). This one to one service allowed Befrienders to provide support and encouragement to Befriendees to enable them to take part in social activities in the community, thereby reducing social isolation, increasing independence as well as offering flexible respite for Carers.

Staff and Volunteers

The Executive Committee wish to thank all staff and volunteers for their valued contribution throughout the year. With a staff complement of 3 full time and 9 part time staff, the charity would not be able to provide such a comprehensive range of services without its bank of volunteers. The charity supported one College student on placement during their HNC Care and Administrative Practice course. Three George Heriot's Sixth Formers each attended as volunteers a half day per week on a rota basis over two terms in accordance with what is now a well-established and valued arrangement.

We were all deeply saddened to hear of the passing of our Patron Mr Ronnie Corbett CBE. As a hugely talented comedian, actor, writer and broadcaster, he also managed to find time in his busy schedule to support our charity Edinburgh Headway Group and served as our Patron for many years. We will always be grateful for his support and for helping us to raise awareness of acquired brain injuries. Thank you Mr Corbett, you served us well.

Activities, Achievements and Performance

Our Day Service provides an important part of our rehabilitation work enriching the quality of life for our service users (members) whose opportunities to get out of their homes may be very restricted and many activities inaccessible. This year, we have been able to help improve the lives of many more individuals through our cognitive and physical rehabilitation programme, thus improving their outcomes to return to community living, access social opportunities and participate in different activities independent of their carers, and aiding increased self-confidence and self-esteem.

A weekly average of 91 brain-injured members attended our Day Service, leading to a 17% increase in day care membership figures in comparison with the previous year and a significant 127% increase on NHS Lothian targets for this same period. Individuals attending participated in cognitive and physical rehabilitation programmes and therapeutic, social and community activities and outings.

There were 4,283 attendances to Headway House marking a 10% increase in comparison with 2014/15.

Overall, 182 individuals with an acquired brain injury were provided with access to our services. This is a significant 34% growth overall in membership figures in comparison with 2014/15.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

Our Befriending Project, funded by the City of Edinburgh Council, provided direct support to 45 adults with an acquired brain injury through one to one matching or group outings marking a 50% increase on Council funded targets.

72 carers were assisted with direct support and training through the provision of 9 information and social events offered throughout the year. The number of carers assisted in this way demonstrated an 80% overall increase on Council funded targets.

Regrettably, due to City of Edinburgh Council cuts, funding for our Befriending project came to an end on 31st March 2016. However, support for our carers continues to be an important aspect of our work and hence following a successful funding application made to the City of Edinburgh Council, we were delighted to receive a grant award to support our new Carers Project. This new project was launched on 1st April 2016.

Our Volunteer Co-ordinator worked with staff to provide support to 74 volunteers throughout the year: Befriending Project - 32; Day Service - 33; Trustees - 9. The Volunteer Co-ordinator held individual support and supervision sessions with volunteers which allowed individuals to make suggestions for change and help them develop in their role.

Our valued volunteers delivered an impressive 8,360 voluntary hours supporting our work and enabled us to fully support a varied activities programme for our members.

100% of our volunteers reported that they felt appreciated for the work that they do, had more self-esteem and confidence as a result of participating in work that was useful, valued, structured and supported. They also reported that they were work ready, with evidence of improved time-keeping, communication skills, co-operation and teamwork.

We offer customised paid external brain injury awareness training to other professionals and care staff. This has provided an important part of our aims of raising awareness and understanding of brain injury, as well as raising the profile of Edinburgh Headway Group more generally with other organisations in and around Edinburgh.

98 staff, volunteers and professionals from other organisations were provided with in-house training which included Brain Injury Awareness, Epilepsy Awareness, National Care Standards, Protection of Vulnerable Adults, Health and Safety, Confidentiality, First Aid and Policies and Procedures. This marks an 88% increase in training delivered in comparison with figures from 2014/15. A rolling training programme is embedded in the organisation to maintain skills and knowledge.

This year we focused on strengthening our links with other medical professionals to help people with brain injury access services to aid their rehabilitation at an early stage. Periods without necessary support are periods where additional problems may arise or conditions may worsen. As such, we submitted an application to the Edinburgh & Lothian Health Foundation to seek funds to support a new full-time Rehabilitation Coordinator staff post in Headway House. We were fortunate in receiving a one year award which allowed us to recruit a Rehabilitation Co-ordinator to work more closely with the NHS Lothian Outreach Nurse to ensure that people with a brain injury get suitable and ongoing support via Headway once discharged from hospital. This new working relationship with the Outreach Nurse at NHS Lothian has also opened up new opportunities for us with other organisations and agencies.

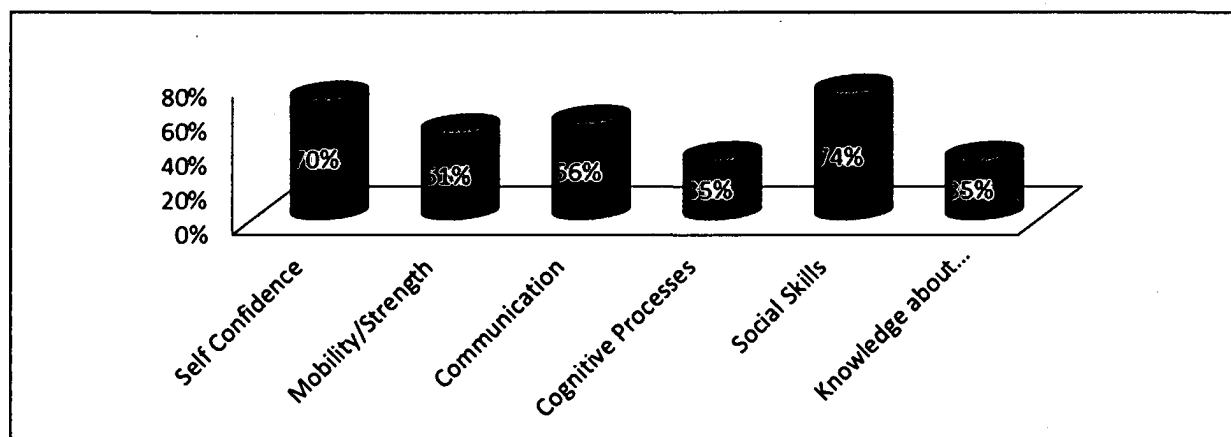
We have also established links with medical professionals, specifically the Speech and Language Therapy team, but also with physiotherapists, neuropsychologists and occupational therapists. Sharing the support plans with these other agencies is beneficial for our members as goals and targets are reinforced and streamlined, making them more attainable.

Regardless of the increases in our membership, attendances and demand, our small core grant, received from NHS Lothian has remained static. In addition, as a consequence of the City of Edinburgh Council's financial constraints, funding for our Befriending Project ended on 31st March 2016. This means a reduction in terms of our effective funding levels.

Our charity is run by a small staff team and has limited funding. It costs over £200K a year to run our services - 19% of funding is received via grants from NHS Lothian and City of Edinburgh Council. The remaining 81% is reliant on fundraising, sponsorship and donations.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

We recently completed a member survey and asked our members how EHG has benefitted them in their rehabilitation. The results are as below:



We asked what Edinburgh Headway Group means to them. Here are just a few of the wonderful testimonials we received:

'Life! It's been a great experience for me and it's good to meet people who are on the same path.'
'It means everything. Edinburgh Headway Group has done more for me than I could ever have imagined.'
'If I didn't come to Headway I would be sitting in the house. Headway gets me out of the house.'
'Edinburgh Headway Group gives me the motivation and ambition to do something interesting.'
'The world! It has helped big time with my recovery. It has become a major and very enjoyable part of my life'.

Our partnership link with other organisations has grown stronger as we are involved in finding more services for our members, including other stroke day services, befriending services, volunteering opportunities and social groups.

We established a link with Get2gether, another voluntary organisation who focus on promoting friendship and relationships for those with disabilities. We hosted an information session and have made several referrals to this service.

We also facilitated a Parkinson's communication group from our premises for a period of six weeks throughout the year in liaison with the Edinburgh Adult Community Speech and Language Therapists.

We continued to work closely with other professionals to ensure we deliver a seamless and holistic approach for our members. This involves working closely with the Scottish Brain Injury Rehabilitation Unit, the Robert Fergusson Unit (at the Royal Edinburgh Hospital), other Edinburgh hospitals, GPs and social workers.

We remained active members of the Edinburgh Carers Network, the Scottish Acquired Brain Injury Network (SABIN) and the NHS Stakeholders Redevelopment Board as well as the Headway Scotland Development Group.

We increased our social media profile through the introduction of Facebook and Twitter to promote our work and keep everyone with an interest in brain injury informed as quickly as possible. Our popularity is increasing and we are optimistic that this trend will continue into the next year and beyond.

We continued to work closely with other agencies, statutory, independent and voluntary to provide continuity of care and support for our members and their families and/or carers.

We have seen many new referrals being received from applicants with a dual diagnosis of severe mental health and an Acquired Brain Injury.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

EHG has a duty of care to both members and staff/volunteers and any decisions regarding the acceptance or rejection of referrals to our service is fair, consistent, open and transparent. Our assessment criteria are:

- The extent to which the individual will benefit from the rehabilitation services provided;
- The amount of professional support already in place for the individual;
- Are we able to meet the individual's care needs;
- Are we able to manage the individual's behaviour; and
- The amount of family support the individual already has

The charity continued to retain the Quality in Befriending Award, demonstrating our high quality and safe and competent practice.

Our Day Service continued to be registered with and regulated by the Care Inspectorate. In April 2016, we received a positive Care Service Inspection visit, which resulted in our quality grades being upgraded to an overall rating of 5 - very good.

	Quality of Care and Support	Quality of Environment	Quality of Staffing	Quality of Management and Leadership
2016	5 – Very Good	5 – Very Good	Not Assessed	Not Assessed
2013	5 – Very Good	4 – Good	5 – Very Good	5 – Very Good

Financial Review

The major challenge for 2015-16 was once again to ensure the financial stability of the organisation.

This year, the City of Edinburgh Council consulted all voluntary organisation grant recipients to inform that, due to the economic challenges the Council were facing, that the grant allocation across the city needed to change. It is regrettable that as a result of these changes our Befriending Project could not be sustained in its current format. However, following submission of a new funding application to the City of Edinburgh Council, we were delighted and relieved to secure funds to enable us to launch a new Carers Support Project. This new project will enable us to continue to meet our carers' needs in difficult times. Edinburgh Headway Group is grateful to the City of Edinburgh Council for funding the Befriending Project over the last decade.

We continued to engage a professional fundraiser to work with the Chief Executive in raising additional funds to support the work of the charity.

The charity also welcomed grants and donations from many sources during the year under review. Support continued from the City of Edinburgh Council and NHS Lothian. Amongst the many donations and grants gratefully received, substantial awards were received from HBJ Gateley, the Cruden Foundation, the Robertson Trust, the Edinburgh & Lothians Health Foundation. We were also fortunate to be selected by Marks & Spencer Fort Kinnaird and Marks & Spencer Ocean Terminal and Johnston Smillie as their charity of the year. In addition, we were nominated as the local charity supported by a European scientific meeting. Lothian Buses staff also kindly donated funds raised from their staff Christmas party.

The surplus for the year was £27,897 (2015: £25,538) as disclosed in the Income and Expenditure Account and Statement of Financial Activities on page 13. Including unrealised losses of £19,423 (2015: unrealised gains £40,634) the charity's net movement in funds amounted to a surplus of £8,474 (2015 surplus: £66,172). The balances of £130,792, £643,050 and £33,032 have been carried forward in the General Fund, Designated Fund and Restricted Funds respectively.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

Reserves Policy

The Directors have reviewed the financial requirements of the charity and have concluded that, in view of the proposed changes at the Astley Ainslie Hospital which have now commenced, the unrestricted funds required by the charity are as follows:

General Fund	£100,000
Capital and Development Fund	£950,000

The Directors believe that the charity would be able to meet any foreseeable ordinary expenditure from the General Fund, when supplemented by recurring grants and fundraising.

The Capital and Development Fund requirement has been estimated by the directors at £950,000 on the basis of a professional estimate, in 2010, of probable current building costs of £770,000 to replace Headway House. The directors are not aware of a material change in this valuation at 31 March 2016, and so have not obtained an updated valuation. This cost excludes site acquisition which cannot be readily predicted but would be very material bearing in mind Edinburgh land values. The costs of temporary accommodation, external works, fit out costs and furniture and fittings have also been excluded from this estimate. It is emphasised that the adequacy of the fund must be viewed in the context of the ongoing changes at the Royal Edinburgh and Astley Ainslie Hospitals, together with the cost of site acquisition in the Edinburgh area.

The Directors will continue to seek additional funds to meet the shortfall in the Capital and Development Fund (see note 11c).

Investment Policy

Under its Memorandum and Articles of Association, the charity has power to make any investment which the Directors see fit. The investment advisers, Brewin Dolphin, hold a discretionary authority to manage the investment portfolio on behalf of the charity.

Stock market capital values have fallen in the year ending 31.3.16, resulting in a modest decrease in the value of investments from £651,980 in 2015 to £640,170 in 2016. The Investment Portfolio produced £24,152 of net investment income during the year.

Plans for Future Periods

Regardless of the increases in our membership, attendances and demand, our small core grant, received from NHS Lothian has remained static. In addition, as a consequence of the City of Edinburgh Council's financial constraints, funding for our Befriending Project ended on 31st March 2016. This means a reduction in terms of our effective funding levels.

The challenge of generating sufficient income, to meet the costs of running our charity, continues. This combined with the fact that the Directors can now confirm that NHS Lothian has formally notified Edinburgh Headway Group that we need to be in a position to vacate Headway House before the year 2020, to allow the site to be disposed of for sale.

As many will be aware, NHS Lothian has provided Headway House to Edinburgh Headway Group on a rent-free basis for over 20 years. We are thankful to NHS Lothian for this long-standing arrangement, which has given us a unique opportunity to flourish and work closely with NHS staff supporting the rehabilitation of members of the public recovering from brain injuries. Despite lengthy negotiations with NHS Lothian managers, it is regrettable that we have been advised that this long-standing arrangement will cease upon our departure from Headway House and consequently the charity will be responsible for its own rental and overhead costs.

The charity is committed to secure the future of Edinburgh Headway Group going forward and our 2020 Sub-Committee has been working closely with key stakeholders to identify alternative premises and this work is ongoing. We view this move as an opportunity to fully review our products and services so our future business model can best serve the needs of our current and future members. We intend to plan our move to be as seamless as possible with minimum disruption to members, keeping them fully informed of our relocation when the details are all confirmed.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

Furthermore, from February 2017, the charity is required by law to set up a workplace pension scheme that meets the new auto-enrolment pension rules. This will result in an increase in staff costs.

Although EHG has been successful in meeting its fundraising targets over the last 3 years, competition for funds from trusts and charities is becoming tighter. This is because funding from councils has dried up or has been frozen, forcing third sector groups to seek funding from the finite resource of other funders. This demand has forced funders to put restrictions on the level of funds they can donate to any one charity and in some cases timelines have been imposed directing charities not to reapply for funds within a 12 or 24 month period. Ultimately, EHG, like other charities, is at risk of being caught in a perfect storm of increasing need and evaporating funding streams. Our current funding model, therefore, creates a high risk situation for EHG's future sustainability, success and growth.

The charity has recently conducted research and can advise that many local charities now charge for their service in light of the difficulties of securing funds from trusts and charities. The Directors therefore have in principle made a recommendation to implement a nominal daily member charge for services offered at Edinburgh Headway Group. All stakeholders will be fully briefed of these changes at the Annual General Meeting.

The charity plans to continue to carry out the following in the foreseeable future:

- Increase the capital development fund to ensure there are sufficient resources to provide for the eventual relocation of Headway House.
- Secure suitable premises to allow us to develop and continue to improve our programme of activities to enable those with a brain injury, and their families and carers, to attain the highest possible quality of life;
- Diversify and expand our income streams to continue daily operations;
- Refine our evaluation and financial management systems in order to be ready to take advantage of new funding streams, be they through personal health or care budgets or larger contracts;
- Recruit and retain high quality staff and volunteers;

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

Reference and administrative information

Registered Number: SC138081

Registered Charity: SC006528

Registered office

Headway House
Astley Ainslie Hospital
Canaan Lane
Edinburgh EH9 2HL

Senior Statutory Auditor

David Main

Independent Auditor

Whitelaw Wells, Chartered Accountants and Statutory Auditors, 9 Ainslie Place, Edinburgh, EH3 6AT

Bankers

Royal Bank of Scotland, 17 Comiston Road, Edinburgh, EH10 6AA

Investment advisers

Brewin Dolphin, 6th Floor, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

Solicitors

HBJ Gateley LLP, 19 Canning Street, Edinburgh, EH3 8EH

Honorary Patrons: Mr Ronnie Corbett CBE (deceased)
The Right Hon. Lord Emslie

Honorary Presidents: Mrs J M Bryden MBE
Mr W Bryden MA, LLB

The directors of the charity serving during the year and since the year end were as follows:

Executive Committee:

Directors:	J A A Dunn (Chairman)	(Resigned 12 th April 2016)
	D Williamson CA	
	F Watt	
	R Matheson CA (Treasurer)	
	G Gilson WS	(Resigned 25 th November 2015)
	A J Fitzgerald	
	A Ley (Acting Chairman)	
	N Khan-Juhoor	
	N S Baxter	(Resigned 12 th April 2016)

Secretary: M Keenan

Chief Executive: M Keenan

Structure, governance and management

Edinburgh Headway Group was incorporated in April 1992 as a company limited by guarantee and on 26 May 1992 acquired the net assets of the Edinburgh Headway Group, a trust which had been formed in 1982. It has received permission from the Registrar of Companies to omit the word "limited" from the company name. It is a charity recognised by HM Revenue and Customs and registered with OSCR.

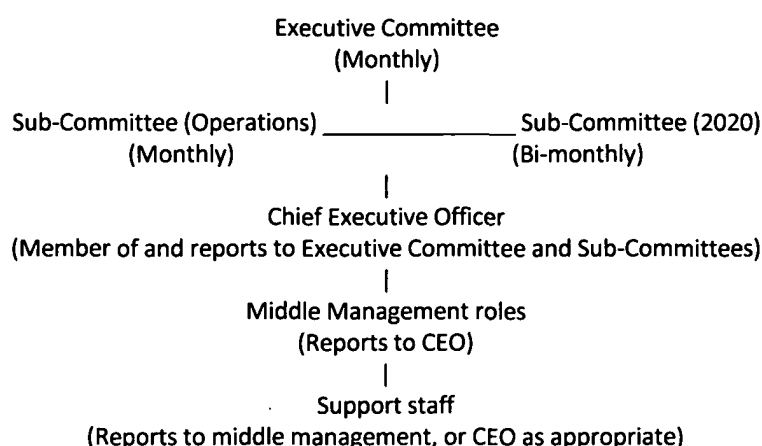
EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

The Executive Committee is made up of the directors and is responsible for the policy and direction of the charity.

A Chief Executive is appointed to manage the day to day activities of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of the delegation approved by the directors, for operational matters including finance, employment and provision of services.

In 2013, the Executive Committee approved a new corporate structure for the management of the charity to assist in the organisation of strategic and operational matters and decision-making. The Sub-Committee (Operations), with agreed terms of reference, has a remit to deal with administrative and operational matters and report back to Executive Committee any recommendations and/or decisions made, thus remaining the responsibility of the Executive Committee.

EHG Corporate Structure Diagram



The Executive Committee met 7 times in this reporting year.

The Sub-Committee (Operations) met 7 times in this reporting year.

The Sub-Committee (2020) met 4 times in this reporting year.

The Executive Committee includes a partner of HBJ Gateley LLP. This firm over the years has organised, at no cost to the charity, annual events which has produced substantial donations for the charity.

Induction and training

New directors of the Executive Committee undergo a comprehensive induction to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the structure and governance of the charity as well as policies and procedures, their obligations under the Trustees' Code of Conduct, the business plan and budget together with recent financial performance. In an effort to maintain a broad skill mix, directors are requested to provide a list of their skills and, in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Executive Committee.

Existing directors are familiar with the work of the charity and have been briefed on their duties and responsibilities under the Charities and Trustee Investment (Scotland) Act 2005. If there are any areas where additional training is required, this is discussed at a board meeting and a solution identified and implemented. Directors, staff and volunteers attend training courses as appropriate.

Pay Policy for Staff

In 2014/15 a salary review was undertaken to ensure pay rates for staff were in line with local government Scottish Joint Council pay scales and reflect market rates of pay for comparable jobs. In 2015/16 a 1% pay increase was awarded to all staff who had been employed in the organisation for a minimum of one year. Two members of staff received increases in line with the changes made to the National Minimum Wage Pay Rates.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2016

Risk Management

The Directors have assessed and documented the major risks to which the charity is exposed and have taken steps to mitigate those risks. The major risks affecting the charity at this current time are the need to secure new premises and ensure financial sustainability for the future. The 2020 Sub-Committee is meeting regularly to take this work forward as a matter of urgency.

Responsibilities of the Board of Directors

Company law requires the Board of Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the Board of Directors are required to:

- Select suitable accounting policies and then 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 Board of Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board of Directors 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

- As far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each Director has taken all the steps he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditor

A resolution to re-appoint Whitelaw Wells CA as Auditors of the charity will be submitted to the members at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

By order of the Directors:

Chair



A Ley

Edinburgh Headway Group
Registered No: SC006528

Date: 4th October 2016

EDINBURGH HEADWAY GROUP
Independent Auditors' Report to the Members
For the year ended 31 March 2016

We have audited the financial statements of Edinburgh Headway Group for the year ended 31 March 2016, which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the company's directors as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the directors 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 company, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors (who are also the trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 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 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

EDINBURGH HEADWAY GROUP

Independent Auditors' Report to the Members (continued)

For the year ended 31 March 2016

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 or the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



David Main

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditors

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh

EH3 6AT

Date: 04 / 10 / 2016

EDINBURGH HEADWAY GROUP

Statement of Financial Activities incorporating the Income & Expenditure Account

For the year ended 31 March 2016

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income and Endowments from:						
Donations		105,379	-	4,000	109,379	115,513
Charitable activities:						
Specialist services for those affected by brain injuries	2	29,271	-	87,693	116,964	123,177
Investment income		24,152	-	-	24,152	23,176
Total incoming resources		<u>158,802</u>	<u>-</u>	<u>91,693</u>	<u>250,495</u>	<u>261,866</u>
Expenditure on:						
Raising funds:						
- Investment manager's fees		5,514	-	-	5,514	5,450
- Fundraising costs		19,866	-	-	19,866	19,600
Charitable activities:						
Specialist services for those affected by brain injuries	4	99,610	2,753	107,959	210,322	205,876
Total expenditure		<u>124,990</u>	<u>2,753</u>	<u>107,959</u>	<u>235,702</u>	<u>230,926</u>
Net income/(expenditure) before transfers, revaluations and investment asset disposals		<u>33,812</u>	<u>(2,753)</u>	<u>(16,266)</u>	<u>14,793</u>	<u>30,940</u>
Gross transfers		(1,804)	(5,269)	7,073	11,073	-
Realised gain/(loss) on investments		-	13,104	-	13,104	(5,402)
Surplus/(Deficit) for the year		<u>32,008</u>	<u>5,082</u>	<u>(9,193)</u>	<u>27,897</u>	<u>25,538</u>
Unrealised gain/(loss) on investments	7	-	(19,423)	-	(19,423)	40,634
Net movement in funds		<u>32,008</u>	<u>(14,341)</u>	<u>(9,193)</u>	<u>8,474</u>	<u>66,172</u>
Total funds at 1 April 2015		<u>98,784</u>	<u>657,391</u>	<u>42,225</u>	<u>798,400</u>	<u>732,228</u>
Total funds at 31 March 2016	11	<u>130,792</u>	<u>643,050</u>	<u>33,032</u>	<u>806,874</u>	<u>798,400</u>

All activities relate to continuing operations.

There are no recognised gains and losses other than those included above.

The notes on pages 13 to 20 form part of these financial statements

EDINBURGH HEADWAY GROUP

Balance Sheet

As at 31 March 2016

	Notes	2016	2015
		£	£
Fixed assets	6	3,830	7,186
Investments	7	640,170	651,980
		<hr/>	<hr/>
		644,000	659,166
Current assets			
Debtors and prepayments	9	39,616	44,805
Cash at bank and on deposit		137,407	104,581
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	10	177,023 (14,149)	149,386 (10,152)
		<hr/>	<hr/>
Net current assets		162,874	139,234
		<hr/>	<hr/>
Total net assets		806,874	798,400
		<hr/>	<hr/>
Funds			
Restricted funds	11a	33,032	42,225
Unrestricted funds	11b	130,792	98,784
Designated funds	11c	643,050	657,391
		<hr/>	<hr/>
		806,874	798,400
		<hr/>	<hr/>

The directors have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The Financial Statements were approved by the Committee on 4th October 2016

..... Chairman
A Ley

Registered number: SC138081

Company number SC006528

The notes on pages 13 to 20 form part of these financial statements

EDINBURGH HEADWAY GROUP
Notes to the Financial Statements
For the year ended 31 March 2016

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The directors are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis, the assessment of the directors is that the charity is a going concern.

Income recognition

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Grants

Revenue grants are credited to the Statement of Financial Activities when the charity is unconditionally entitled to the funds. Any income which is specified by the funder for a period out with the one under review is treated as deferred.

Fundraising, donations and legacies

Fundraising, donations and legacy income is normally credited in the year in which it is receivable.

Donated assets

Donated assets have been included in the accounts at cost equivalent, where this figure can be reliably estimated. All asset donations are included under designated funds to be included in the fixed asset fund.

Investments and investment income

Investments have been included in the balance sheet at market value. Realised and unrealised gains and losses are recognised in Statement of Financial Activities in the period to which they relate.

Income from investments is credited to the income and expenditure account in the year in which it is receivable.

Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds includes all costs associated with generating income from all sources other than from undertaking charitable activities i.e. general donations, membership and fundraising activities;
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Edinburgh Headway Group is not registered for VAT and expenditure includes VAT where applicable.

Allocation of support costs

Where possible, expenditure has been charged directly to charitable expenditure. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity.

EDINBURGH HEADWAY GROUP
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The cost of minor additions costing less than £500 is not capitalised.

Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Equipment 3 to 5 years

Pensions

The Group operates a stakeholder pension scheme available to all employees, which currently has no members.

2. Income from Charitable Activities

	Unrestricted £	Designated £	Restricted £	2016 £	2015 £
Grants					
NHS Lothian	19,648	-	-	19,648	19,648
Edinburgh & Lothians Health Foundation	-	-	25,000	25,000	-
City of Edinburgh Council	-	-	34,284	34,284	34,284
Robertson Trust	-	-	11,000	11,000	11,000
Bank of Scotland Foundation	-	-	-	-	13,980
Agnes Hunter Trust	-	-	4,130	4,130	5,000
Hospital Saturday Fund	-	-	-	-	3,750
Moffat Charitable Trust	-	-	-	-	10,000
Schuh Trust	-	-	5,000	5,000	-
Scotrail Foundation	-	-	-	-	4,500
Stafford Trust	-	-	5,000	5,000	-
Voluntary Action Fund	-	-	-	-	10,000
Grants < £2,500	2,625	-	3,000	5,625	6,000
Other income					
Training & catering income	6,998	-	279	7,277	5,015
TOTAL	29,271	-	87,693	116,964	123,177

3. Staff Costs

The aggregate staff costs were:

	2016 £	2015 £
Salaries	158,462	156,739
Social security costs	7,470	10,296
	165,932	167,035

The average weekly number of employees during the year was 8 (2015 - 8).

No employee received emoluments in excess of £60,000 in the current or previous year.

4. Analysis of Expenditure on Charitable Activities

	Core Activities	Volunteer Co-ordination	Befriending	Group Activities	Rehabilitation Project	FA/Gym Equip'Fund	Total 2016	Total 2015
	£	£	£	£	£	£	£	£
Direct Costs								
Salaries and wages (note 3)	70,431	14,528	35,958	21,403	23,612	-	165,932	167,035
Agency staff costs	510	-	-	-	-	-	510	-
Recruitment	-	-	-	230	-	-	230	-
Training	1,490	-	-	-	125	-	1,615	120
Therapy and activity costs	4,135	-	282	6,019	-	-	10,436	7,125
Transport costs	163	-	133	110	-	-	406	335
Volunteer expenses	4,339	35	785	-	-	-	5,159	4,340
Care Inspectorate	856	-	-	-	-	-	856	856
Advertising	-	-	-	-	-	-	-	1,433
Support Costs								
Property and equipment costs	4,879	-	-	270	257	-	5,406	4,268
Insurance	2,430	-	1,060	-	750	-	4,240	4,256
Depreciation inc loss on disposal (Note 6)	-	-	-	1,248	-	2,753	4,001	4,491
Printing, stationery, Postage and Telephone	1,449	-	828	-	262	-	2,539	2,247
Miscellaneous expenses	968	-	-	-	65	-	1,033	1,170
Professional fees	3,959	-	-	-	-	-	3,959	4,800
Governance Costs								
Professional fees	1,000	-	-	-	-	-	1,000	1,000
Auditors' remuneration – audit fees	3,000	-	-	-	-	-	3,000	2,400
	<u>99,609</u>	<u>14,563</u>	<u>39,046</u>	<u>29,280</u>	<u>25,071</u>	<u>2,753</u>	<u>210,322</u>	<u>205,876</u>

Expenditure on charitable activities was £210,322 (2015: £205,876) of which £102,363 was unrestricted (2015: £121,599) and £107,959 (2015: £80,877) was restricted.

The charity identifies its support and governance costs and allocates these to charitable activities based on invoiced costs or on the basis of time spent by staff on each activity.

No remuneration was paid to any member of the Executive Committee during the year (2015 - £Nil) and no reimbursements of expenses incurred on behalf of the Group have been requested by the Directors (2015 – £Nil).

EDINBURGH HEADWAY GROUP
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

5. Summary analysis of expenditure and related income for charitable activities

	Core Activities	Volunteer Co-ordi't'n	Befriending	Group Activities	Rehab' Project	Gym/Equip	TOTAL
	£	£	£	£	£	£	£
Costs	(99,609)	(14,563)	(39,046)	(29,280)	(25,071)	(2,753)	(210,322)
Direct grant/donation support	22,273	-	34,284	32,130	25,000	-	113,687
Training and activity							
Income	6,998	-	32	247	-	-	7,277
Net (cost funded from Other income)/surplus carried forward	<u>(70,339)</u>	<u>(14,563)</u>	<u>(4,730)</u>	<u>3,097</u>	<u>(71)</u>	<u>(2,753)</u>	<u>(89,358)</u>

6. Fixed assets

Cost

At 1 April 2015

Additions

**Equipment
£**

37,078

645

37,723

Depreciation

At 1 April 2015

Charge for year

29,892

4,001

33,893

Net book value

At 31 March 2016

3,830

At 31 March 2015

7,186

EDINBURGH HEADWAY GROUP
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

7. Investments	2016	2015
	£	£
Market value at 1 April 2015	649,320	617,597
Disposals at opening Market Value	(380,399)	(25,028)
Additions at cost	379,824	16,117
Unrealised (loss) / gain	(19,423)	40,634
	<hr/>	<hr/>
Market value at 31 March 2016	629,322	649,320
Cash held as part of portfolio	10,848	2,660
	<hr/>	<hr/>
	640,170	651,980
	<hr/>	<hr/>
Cost at 31 March 2016	595,002	501,934
	<hr/>	<hr/>
8. Taxation		
Edinburgh Headway Group is a charity and is recognised as such by HM Revenue & Customs for taxation purposes. As a result there is no liability to taxation on any of its income.		
9. Debtors	2016	2015
	£	£
Gift aid recoverable	-	548
Other debtors	37,429	42,651
Prepayments	2,187	1,606
	<hr/>	<hr/>
	39,616	44,805
	<hr/>	<hr/>
10. Creditors: amount falling due within one year	2016	2015
	£	£
Other creditors	11,372	8,228
Social security and other taxes	2,777	1,924
	<hr/>	<hr/>
	14,149	10,152
	<hr/>	<hr/>

EDINBURGH HEADWAY GROUP
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

11. Funds	Balance at 31 March 2015 £	Incoming Resources £	Resources Expended £	Gains/(losses) on investments £	Transfers £	Balance at 31 March 2016 £
a. Restricted Funds						
Befriending Project	-	34,316	(39,046)	-	4,730	-
Volunteer Co-ordination	12,291	-	(14,563)	-	2,272	-
Rehabilitation project	-	25,000	(25,071)	-	71	-
Group Activities	26,190	32,377	(28,031)	-	-	30,536
Gym Equipment	3,744	-	(1,248)	-	-	2,496
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	42,225	91,693	(107,959)	-	7,073	33,032
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
b. Unrestricted General Fund	98,784	158,802	(124,990)	-	(1,804)	130,792
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	98,784	158,802	(124,990)	-	(1,804)	130,792
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
c. Designated Funds						
Capital & Development Fund	653,949	-	-	(6,319)	(5,914)	641,716
Fixed asset Fund	3,442	-	(2,753)	-	645	1,334
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	657,391	-	(2,753)	(6,319)	(5,269)	643,050
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

11. Funds (cont'd)

Restricted Funds

A grant is received from The City of Edinburgh Council for the Befriending Project which seeks to reduce the isolation of brain injured people and give respite for family and carers.

Voluntary Coordination include the recruitment of a volunteer co-ordinator and costs relating to the volunteer activities of the charity. Funding has been received from a number of sources as per note 2.

A grant was received from the Edinburgh & Lothians Health Foundation to recruit a Rehabilitation Co-ordinator to support the work of EHG working with the NHS Lothian Outreach Nurse and the hospital discharge team.

Group Activities include a number of initiatives organised for adults with acquired brain injuries including a social group, walking group, practical skills group and volunteer coordination. Funding has been received from a number of sources as per note 2.

Gym Equipment represents the net book value of equipment funded from a number of sources as per note 2.

General Fund

The general fund is to be used for general purposes aimed at the furtherance of the charity's objectives.

EDINBURGH HEADWAY GROUP
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

Designated Funds

The Capital and Development Fund has been established to provide resources for the relocation of Headway House which will arise from the re-development of the Royal Edinburgh and Astley Ainslie Hospitals. The existing premises are supplied by NHS Lothian on an informal year-to-year basis and are due to be demolished as part of Phase 1 of the re-development. The probable current building cost of suitable replacement premises was professionally estimated at £770,000 in 2010.

This cost excludes site acquisition which cannot be readily predicted but would be very material, bearing in mind Edinburgh land values. The costs of temporary accommodation, external works, fit out costs and furniture and fittings, which would also be considerable, have also been excluded. As noted on page 7, the Group estimate that the total cost of relocation to new premises would be £950,000.

The Fund is not normally applied for the purposes of revenue expenditure and is currently held as investments.

The fixed asset fund represents the net book value of fixed assets.

Transfer between funds

Capital & development fund

Movement of £5,914 to adjust the closing fund balance to show the net book value of investments. The closing value includes £640,170 of investments and £1,546 dividend debtor. £5,491 was transferred to reimburse the general fund for investment management costs incurred in the year. The dividend debtor also decreased by £423 during the year.

Restricted Funds

£7,073 was transferred from general funds to meet the shortfall of income on the Befriending Project, Volunteer co-ordination and Rehabilitation projects.

Fixed Asset Fund

£645 was transferred from the General Fund representing the cost of fixed assets acquired in the year.

12. Analysis of net assets between funds	Restricted Funds £	Unrestricted Fund £	Designated Fund £	Total Funds £
Balances at 31 March 2016	33,032	130,792	643,050	806,874
Represented by:				
Fixed assets	2,496	-	1,334	3,830
Investments	-	-	640,170	640,170
Net current assets	30,536	130,792	1,546	162,874
	33,032	130,792	643,050	806,874

13. Capital

The Group has no Share Capital as it is a company limited by guarantee. Each member has agreed to contribute up to £1 in the event of the company being wound up. At the Balance Sheet date there were 8 members (2015: 9).

14. Indemnity Insurance

The Group arranged indemnity insurance cover in respect of the directors, employees and volunteers at a cost of £411.60. (2015- £411.60).