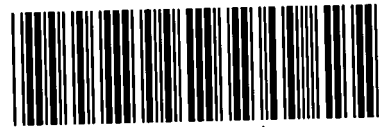


REGISTERED COMPANY NUMBER: 06706042 (England and Wales)
REGISTERED CHARITY NUMBER: 1163758

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2017
for
Action Deafness

THURSDAY



A17 *A78LMCYG* #164
21/06/2018
COMPANIES HOUSE

Charnwood Accountants & Business Advisors LLP
Statutory Auditor
The Point
Granite Way
Mountsorrel
Loughborough
Leicestershire
LE12 7TZ

Action Deafness

Contents of the Financial Statements
for the Year Ended 30 September 2017

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Action Deafness

Report of the Trustees
for the Year Ended 30 September 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
06706042 (England and Wales)

Registered Charity number
1163758

Registered Office
The Peepul Centre
28 Orcharadson Avenue
Leicester
Leicestershire
LE4 6DP

Trustee Directors

R F Hilton	Director/Trustee	Vice Chair
P J Kendall	Director/Trustee	Joint Chair – resigned 14.3.17
Mrs A Lewis	Director/Trustee	
A Palmer	Director/Trustee	Appointed Joint Chair 14.3.17
Mrs K Read	Director/Trustee	Joint Chair
B J A Stephens	Director/Trustee	
Mrs E Allen	Director/Trustee	- appointed 14.3.17
Ms H Foulkes	Director/Trustee	- appointed 16.6.17

Company Secretary and Chief Executive
C A Crowley MBE

Interim Chief Officer
J Robertson

Auditors
Charnwood Accountants & Business Advisors LLP
Statutory Auditor
The Point
Granite Way
Mountsorrel
Loughborough
Leicestershire
LE12 7TZ

Legal Advisor
Andrew McNeill
Frisby & Small Solicitors LLP
5 De Montfort Street
Leicester
LE1 7GT

Action Deafness

Report of the Trustees for the Year Ended 30 September 2017

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable objectives of the charitable company are the relief of persons who are Deaf, deafblind, deafened or hard of hearing.

The charity aspires to:

"A society where we have shared understanding between Deaf, Deafened, Deafblind, Hard of Hearing and Hearing people, and where communication is seamless."

Action Deafness aims to improve quality of life by promoting independence and equality of opportunity for Deaf, deafened, deafblind and hard of hearing people.

The charity aims to:

- i) Promote effective communication and improve access to services.
- ii) Increase the status and participation of Deaf and hard of hearing people from diverse backgrounds.
- iii) Provide specialist support, learning and community services.

Firstly, as service providers, we seek to offer creative and diverse services in order to respond to the identified wishes, aspirations and requirements of the people who we serve and support. Whilst understanding the real lives and concerns of the local and surrounding community, we actively promote participation in everyday experiences, opportunities and decision making. Ultimately being about people, our services are underpinned by a strong foundation that values and fosters all aspects of personal development for service users.

Secondly, we understand that our ability to deliver these ideals is inextricably linked with effective working partnerships with all stakeholders which bring about continual improvement in the quality and value of the services we offer. We have recruited and are constantly developing a staff team that is competent, motivated, sensitive, proactive and responsive to the needs of users in order to achieve Action Deafness's aims and standards.

Significant activities

Action Deafness's charitable objectives focus on the delivery of a range of services throughout the UK with primary delivery/focus on the Midlands and Sussex. We retain the primary focus on Leicester, Loughborough, Leicestershire & Rutland whilst we continue, as charitable company limited by guarantee, to offer services that benefit Deaf, hard of hearing, deafened and deafblind communities throughout the Midlands region and beyond.

Services provided during 2016-17 to benefit Deaf, hard of hearing, deafened and deafblind people and services to increase awareness amongst the hearing community are as follows:

- AD Community
- YOUChoose consortium / partnership working with local/regional Deaf organisations
- Deaf Personal Care Cambridge (CQC-registered care provision in partnership with Cambridgeshire Deaf Association (CDA))
- AD Communications (interpreting provision for contracted services)
- Video Remote Interpreters (VRI) provision in partnership with SignLive
- AD Tech (contracted equipment and referral service with Leicester City Council)

Public benefit

As a charitable company, Action Deafness provides a public benefit to Deaf, hard of hearing, deafened and deafblind beneficiaries through its provision of services such as AD Communications which assist in communication and interpreting between the hearing and the non-hearing community.

The Trustee Directors have had due regard to the Charity Commission's guidance on public benefit.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2017

OBJECTIVES AND ACTIVITIES

Health & safety statement

The charity has a health and safety policy, which is communicated to all staff and is reviewed annually by the Board & Chief Executive.

Safeguarding statement

The charitable company has been working hard to safeguard vulnerable children and adults throughout the organisation and through its services. Procedures are in place and regular training has taken place during the course of the year.

Robust policies and protocols stipulate regular communication, and if needed, disclosure to external safeguarding teams.

Complaints

The charitable company has a robust complaints procedure. Complaints received during the year have been handled professionally and resolved to the satisfaction of all concerned. They have enabled the charity to review services and make reasonable adaptations where required, which has resulted in the improvement of our services to users.

ACHIEVEMENT AND PERFORMANCE

This review provides assurance of delivery of AD's strategic objectives as per AD Strategic Plan 2015 -2018 (approved by the Board of Trustees in March 2015).

This confirms the year-end position as at 30th September 2017 regarding all objectives from the departmental operating plan 2016-2017.

Action Deafness handed notice to vacate the office at Peepul Centre, Leicester, in September 2017 after seven years. The majority of services (Interpreting and Community) have been relocated to Advanced Technology & Innovation Centre (ATIC), Loughborough University. Peepul Centre remains the registered office and headquarters.

Action Deafness Community:

AD Community has been restructured and following changes to its liaison and advocacy services, has quickly expanded its services and grew its support hours from 11,000 hours per year to around 12,000 by the end of September 2017.

AD Community appointed its first Deputy Manager in Martin Anderson in January 2017. Martin also took up registered manager status as Mhairi Simpson, current registered manager, went on maternity leave in July 2017

AD Community introduced a new database in CharityLog in early 2017

Jessy Young was appointed as the new Senior Personal Assistant in July 2017.

AD Community continued to assist partner organisations with the development and delivery of PA services in their own catchment areas.

YOUchoose brand and website were used effectively by partner organisations notably DeafCOG (Sussex), GDA (Gloucestershire), DeafPLUS (London & Birmingham) and CJI Services (County Durham/Teesside)

Upon departure of our Head of Services, Jaz Mann, in September 2017, Stuart Harrison took over operational responsibility, overseeing the delivery of Community services, in November 2017.

Albrt Thomson took up business development aspects of Community in November 2017.

AD Community continues to work closely with Deaf Cultural & Outreach Group (DeafCOG) based in Eastbourne, Sussex to assist with the development of PA Services.

AD Community continues to work in partnership with Cambridgeshire Deaf Association to develop and deliver personal care services for three Deaf clients based in Huntingdon. This service took part in its first ever Care Quality Commission registration inspection in September 2017.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2017

ACHIEVEMENT AND PERFORMANCE

Leicester User Groups:

Action Deafness has continued to contribute towards venue costs for groups to meet at both The Firs and All Nations Centre in Leicester in line with the charitable objectives of the organisation

Loughborough User Group:

Action Deafness has continued to contribute towards venue costs for the hard of hearing group's informed choice of using Loughborough Baptist Church for their regular place for social meetings/activities.

AD Tech:

AD Tech has carried out assessments for, and delivered equipment to Deaf, deafened, hard of hearing and deafblind people from Leicester in the last year under our contract with Leicester City Council. We were successful in obtaining a contract extension beyond March 2018 for a further three years. Hanisha Sandhu coordinates this service.

Quality:

ISO Co-ordinator, Sophie Smith, worked with Head of Service, Jaz Mann to successfully maintain ISO9001 and ISO27001 accreditation certificates in May 2017.

Finance:

Finance Manager, Jim Robertson, worked with external finance services to ensure budgeted costs remained to a minimum and the level of deficit has reduced significantly over the period.

AD Communications (ADC):

Communications Services increased its capacity during 2016-2017 through successfully delivering specialist mental health interpreting services at St. Andrew's Healthcare in Northampton, increased ward bookings and obtained further bookings with SignLive Video Relay Services.

We retain primary contracts with Brighton and Hove CCG/Sussex Partnership NHS Trust/Surrey and Borders NHS Trust and Sussex (SUSTI) framework contracts to deliver BSL Interpreters & lipspeakers.

AD Communications was accepted onto Health Trust Europe's (HTE) Agreement Framework which enables ADC to increase the geographical area covered by provision of services.

AD Communications continues to deliver the same service as part of the sub-contracted agreement under the Leicestershire & Rutland NHS contract stipulations.

Following contracts obtained in Brighton, AD Communications has three in-house BSL interpreters plus one on a retainer agreement, forming a team consisting of: a Head, 2 full-time senior in-house BSL interpreters (East Midlands and Brighton), two in-house BSL interpreters and two full-time booking coordinators.

Action Deafness Communications' Head of Interpreting successfully negotiated with SignLive to set up a new additional video interpreting bookings and delivered interpreting services on behalf of SignLive.

FINANCIAL REVIEW

Summary of the year

Income for the 12 months amounted to £1,937,123 (2016: £1,725,554). Expenditure for the same period amounted to £1,955,178 (2016: £1,777,821). As a result the deficit for the period (before other recognised gains and losses) was £18,055 (2016: £52,267)

The defined benefit scheme liability decreased to £324,500 (2016: £462,000) during the year, while the present value of the deficit funding agreed on the multi-employer defined contribution pension scheme (TPT Retirement Solutions - the Growth Plan) of which the charitable company is a part decreased to £20,726 (2016: £22,517)

Total funds on hand at the balance sheet date are in deficit by £75,028 (2016: deficit of £181,106), however this includes pension deficits of £345,226 (2016: £484,517). £5,495 (2016: £3,505) can only be realised through the sale of tangible fixed assets.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2017

FINANCIAL REVIEW

Funds on hand at the Balance Sheet date include restricted Funds of £5,462 (2016: £8,622) and designated funds (excluding the pension liability noted above) of £15,021 (2016: £12,387) - these comprise the charity's tangible fixed assets and fixed asset investments. Free Reserves, excluding the pension liability, amount to £249,715 (2016: £282,401).

Investment policy and objectives

The Trustee Directors have the power to invest in such assets as they see fit.

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific purpose should be maintained at a level equivalent to between three and six month's expenditure. The Director Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

However, despite the improvement in the level of year end reserves, they remain in deficit after accounting for the pension liability. As a result, the level of reserves will be insufficient to maintain designated funds in line with the above policy.

As a direct response the trustees recognise the importance of ensuring that a suitable level of reserves are maintained.

The board is committed to monitoring the financial position of the organisation on an on-going basis.

Going concern

Due to the negative reserves of the charity, its future ability to continue in operation remains a concern. The charitable company has operated at a reduced deficit during the current year, compared to the deficits in the past several years, as a result of strict cost control.

The defined benefit liability, however, decreased to £324,500 (2016: £462,000) due to factors outside the control of the Trustees.

In addition the defined contribution pension liability, decreased to approximately £21,000 (2016: approximately £22,000) Again, this liability is due to factors outside the control of the Trustees.

As a result of all of the above, the negative reserves were reduced by around 60% compared to 2016. In addition, the charitable company maintains a healthy bank balance and debtor book.

It is for the above reasons that the trustee directors continue to adopt going concern principles in the financial statements.

Pension liability

The pension liability represents the total of the following:

1. The share of the Leicestershire County Council Pension Fund (the Scheme) relating to ex-employees of Action Deafness who qualified to receive a pension from the Scheme. Entry to the Scheme closed in 1998 and, as at 31st March 2016, there were 11 pensioners (whose average age is 68) and 7 deferred pensioners (whose average age is 53) who had previously worked for the Charity.
2. The present value of the deficit funding agreed for the multi-employer defined contribution pension scheme (TPT Retirement Solutions - the Growth Plan) of which the charitable company is a part.

The pension liabilities continue to be a significant drain on reserves - unrestricted reserves excluding the pension liability amount to £264,736 (2016: £294,788) but are in deficit by £80,490 (2016: £189,729) after the liabilities are included.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2017

FUTURE PLANS

The list below highlights identified developments in line with the AD Strategic Plan (2015-2018) objectives for the financial year of 2017-2018.

AD Communications - consolidating current contracts and expanding to win further tender opportunities for BSL interpreting throughout the UK. ADC will build on the successes to date of high customer satisfaction while providing value for money and quality interpreting.

AD Community - expanding the success of individual contracts beyond the East Midlands. Working strategically according to capacity by targeting opportunities in the Midlands and beyond with the help of YOUchoose partnership.

Partnership with CJI Services (Durham) to set up PA services in Teeside

Partnership with DeafPLUS to deliver befriender services in Birmingham

AD Communications - consolidating the delivery of video relay services via interpreting from AD Communications on behalf of SignLive

AD Community (User Groups) - continuing to contribute towards the meeting venue costs of user groups.

AD Tech - continuing to deliver referred equipment services via Leicester City Council

CEO released on secondment with interim Chief Officer appointed to maintain delivery of services at Action Deafness as per agreed Business Operating Plan 2017-2018

Summary

The information above identifies developments in line with the final year section of the AD Strategic Plan 2015-2018.

Service users/clients have greatly benefitted from a range of the highest quality services provided by Action Deafness despite reduced resources and capacity. Tireless effort by staff, trustees and volunteers has delivered much needed change while providing excellent services. The support from contractors, commissioners and funders has also contributed to the successful delivery of services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, governance, management & constitution

The company is constituted under a Memorandum of Association dated June 2008 and revised in September 2015 (company number 06706042) with the registered charity number 1163758. It is a private company, registered in England and Wales, and is exempt from the use of the word "Limited" within its name.

Please note that both the former charities, Leicester & County Mission for Deaf People and Loughborough & District Mission for Deaf People, were dissolved and their net assets as at 1st October 2015 were transferred to the current charity, Action Deafness.

Trustee directors

The management of the charitable company is the responsibility of the Trustee Directors who are elected and co-opted under the new and revised terms of the Articles of Association. The persons who served as Trustee Directors during the year are listed within the Reference and Administrative Details section of the report.

Organisational structure

The charitable company is organised in components (or teams) as follows:

1. Operations and Services (CEO, Finance, AD Books/Tech, ISO & Admin)
2. Delivery Services (AD Communications Interpreting, AD Community, Personal Care & YOUchoose)

The range of services fall into three broad areas, in order of priority:

1. Statutory services carried out on behalf of local and health authorities as per contractual obligations
2. Trading and commercial services
3. Non-statutory services provided by voluntary funds and other sources

Action Deafness

Report of the Trustees
for the Year Ended 30 September 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and decision making

The day to day running of the charitable company is delegated to the Chief Executive Officer (CEO) who reports to the Trustee Directors.

The CEO operates within a wide ranging delegated remit. It is policy that, where specific Trustee Directors have expertise which may be helpful, the CEO and the individual Trustee Directors work collaboratively.

The business of Action Deafness is managed through a Board formed of all the appointed Trustee Directors. The Board meets formally at least four times a year and on additional occasions where decisions are required before the next formal meeting. The Trustee Directors have given the CEO the authority needed to conduct the day to day working business of the charity. The CEO attends and reports to each meeting of the Board.

Induction and training of new trustee directors

The organisation relies upon the guidance issued by the Charity Commission in relation to the induction and training of trustees.

Policy for remuneration of key management

The key management personnel of the charitable company include the Trustee Directors and the Senior Management Team, which consists of the CEO, Finance Manager, Head of Interpreting and Head of Services.

Between these groups the organisation is governed and operated on a day to day basis. All Trustee Directors give of their time freely and no director received any remuneration during the year.

The pay of senior staff is reviewed annually and normally increases in accordance with average earnings. In view of the nature of the organisation, the Trustee Directors benchmark the CEO's salary against pay levels in other charitable organisations of similar size and nature. The senior management team determine all other salaries considering market forces and in-work performance as benchmarks.

Action Deafness

Report of the Trustees
for the Year Ended 30 September 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Service Level Agreements, Contracts & Grants 2016-2017

Action Deafness has several service level agreements and grants, which are listed below:

1. St Andrew's Healthcare Trust contract for the delivery of a specialist BSL interpreting service at the medium-secure residential unit in Northamptonshire
2. Brighton & Hove Clinical Commissioning Group, Brighton & Sussex University Hospitals & Sussex Partnership Foundation NHS Trust for the delivery of BSL interpreting & lipspeaking services within Brighton & Sussex
3. East Sussex County Council (SUSTI) framework contract for the delivery of BSL interpreting & lipspeaking with 20 other local, district and health agencies throughout Sussex
4. Surrey & Borders NHS Foundation Trust for the delivery of BSL interpreting & lipspeaking in Surrey, Kent and Sussex
5. Health Trust Europe - Agreement Framework for the delivery of BSL interpreting in the NHS Trusts based in the Midlands and surrounding counties
6. NHS London Procurement Partnership - Agreement Framework for the delivery of BSL interpreting in the NHS Trusts based in Greater London areas:
7. SignLive Video Relay Service contract agreement for the delivery of video relay services utilised by BSL interpreters throughout the UK
8. Spot purchasing contract for medical interpreting provision with University Hospitals of Leicester, Clinical Commissioning Groups and Leicestershire and Rutland NHS Trusts on a sub-contracted basis
9. Numerous individual contract agreements via Personal Budgets & Direct Payments for the delivery of community support throughout Leicestershire, Derbyshire, Nottinghamshire, Warwickshire, Staffordshire and Northamptonshire
10. Leicester City Council Technical Equipment contract to assess for, and provide where appropriate, aids and equipment throughout the city related to hearing loss
11. Big Potential Fund - to finance the consultancy services of marketing and bid writing in order to generate additional contracts for the provision of charitable services: from October 2016 until September 2017
12. Partnership agreement with Cambridge Deaf Association to deliver personal care services since May 2016
13. YOUchoose consortium - partnership with five other local, regional & national Deaf organisations to assist with the development of Personal Assistant services since May 2016.

Risk management analysis

The Trustee Directors use a risk register to manage risk which considers the key areas of governance, operations, finance, environment and compliance. Each area is reviewed for potential risks, potential impact of risks and steps for mitigation. The Trustee Directors, together with the CEO, review all operations and update the register annually in conjunction with ISO 9001 Quality Management and SORP regulations.

Financial risk and reserves are further managed using budgetary control and monthly management accounts reporting. Sources of both current and future income are considered during key performance and risk reviews.

At the year end, the majority of reserves are unrestricted but in advance, the Trustee Directors set aside designated funds in order to ensure that assets, critical to the operation of the charity, can be purchased when needed. The charitable company is of a size that allows it to be flexible and responsive to changes in the needs of its client base.

Action Deafness

Report of the Trustees
for the Year Ended 30 September 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Charnwood Accountants & Business Advisors LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 12th June 2018 and signed on its behalf by:



.....
A Palmer - Trustee Director

Report of the Independent Auditors to the Trustees of
Action Deafness

Opinion

We have audited the financial statements of Action Deafness (the 'charitable company') for the year ended 30 September 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Action Deafness

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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



Charnwood Accountants & Business Advisors LLP

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

The Point

Granite Way

Mountsorrel

Loughborough

Leicestershire

LE12 7TZ

Date: 12th June 2018

Action Deafness

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2017

	Notes	Unrestricted funds £	Restricted funds £	30.9.17 Total funds £	30.9.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	286	58,560	58,846	6,768
Charitable activities					
BME project	5	-	-	-	73,788
Communications		1,335,384	-	1,335,384	1,248,251
Community support		459,335	-	459,335	315,349
Learning		7,005	-	7,005	8,399
Other charitable projects		-	-	-	5,000
Books, DVDs & AD Tech		47,730	-	47,730	43,148
Other trading activities	3	28,487	-	28,487	22,322
Investment income	4	336	-	336	392
Other income		-	-	-	2,137
Total		1,878,563	58,560	1,937,123	1,725,554
EXPENDITURE ON					
Raising funds	6	-	-	-	443
Charitable activities					
BME project	7	-	-	-	100,815
Communications		1,247,835	7,350	1,255,185	1,180,888
Community support		575,934	7,350	583,284	357,787
Learning		12,194	7,350	19,544	35,602
Support for social groups		13,756	1,393	15,149	8,138
Other charitable projects		19,780	10,703	30,483	2,879
Books, DVDs & AD Tech		44,183	7,350	51,533	91,269
Total		1,913,682	41,496	1,955,178	1,777,821
Net gains/(losses) on investments		133	-	133	907
NET INCOME/(EXPENDITURE) excluding pension		(34,986)	17,064	(17,922)	(51,360)
Transfers between funds	19	20,225	(20,225)	-	-
Other recognised gains/(losses)					
Net actuarial losses on pension liabilities		124,000	-	124,000	(64,119)
Net movement in funds		109,239	(3,161)	106,078	(115,559)
RECONCILIATION OF FUNDS					
Total funds brought forward		(189,729)	8,623	(181,106)	-
Introduction of funds from connected charity on reorganisation		-	-	-	(65,547)
TOTAL FUNDS CARRIED FORWARD		(80,490)	5,462	(75,028)	(181,106)

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Balance Sheet

At 30 September 2017

	Notes	Unrestricted funds £	Restricted funds £	30.9.17 Total funds £	30.9.16 Total funds £
FIXED ASSETS					
Tangible assets	13	5,495	-	5,495	3,505
Investments	14	<u>9,526</u>	<u>-</u>	<u>9,526</u>	<u>8,882</u>
		15,021	-	15,021	12,387
CURRENT ASSETS					
Stocks	15	6,739	-	6,739	7,755
Debtors	16	416,400	1,585	417,985	406,323
Cash at bank		<u>109,829</u>	<u>3,877</u>	<u>113,706</u>	<u>142,353</u>
		532,968	5,462	538,430	556,431
CREDITORS					
Amounts falling due within one year	17	<u>(283,253)</u>	<u>-</u>	<u>(283,253)</u>	<u>(265,407)</u>
NET CURRENT ASSETS		<u>249,715</u>	<u>5,462</u>	<u>255,177</u>	<u>291,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		264,736	5,462	270,198	303,411
PENSION LIABILITY (DEFINED BENEFIT)	20	(324,500)	-	(324,500)	(462,000)
PENSION LIABILITY (MULTI-EMPLOYER)		<u>(20,726)</u>	<u>-</u>	<u>(20,726)</u>	<u>(22,517)</u>
NET ASSETS/(LIABILITIES)		<u>(80,490)</u>	<u>5,462</u>	<u>(75,028)</u>	<u>(181,106)</u>
FUNDS					
Unrestricted funds	19			(80,490)	(189,729)
Restricted funds				<u>5,462</u>	<u>8,623</u>
TOTAL FUNDS				<u>(75,028)</u>	<u>(181,106)</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2017.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

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Balance Sheet - continued
At 30 September 2017

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 12th June 2018 and were signed on its behalf by:


.....
A Palmer –Trustee Director

Action Deafness

Cash Flow Statement
for the Year Ended 30 September 2017

	Notes	30.9.17 £	30.9.16 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(25,238)</u>	<u>(75,024)</u>
Net cash provided by (used in) operating activities		<u>(25,238)</u>	<u>(75,024)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,745)	-
Sale of fixed asset investments		(326)	-
Interest received		17	75
Dividends received		<u>319</u>	<u>317</u>
Net cash provided by (used in) investing activities		<u>(3,409)</u>	<u>392</u>
Cash flows from financing activities:			
Introduced on closure of LCMDP		<u>-</u>	<u>213,699</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>213,699</u>
Change in cash and cash equivalents in the reporting period		<u>(28,647)</u>	<u>139,067</u>
Cash and cash equivalents at the beginning of the reporting period		<u>142,353</u>	<u>3,286</u>
Cash and cash equivalents at the end of the reporting period		<u>113,706</u>	<u>142,353</u>

The notes form part of these financial statements

Action Deafness

Notes to the Cash Flow Statement
for the Year Ended 30 September 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	30.9.17	30.9.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(17,922)	(115,559)
Adjustments for:		
Depreciation charges	1,755	3,830
Interest received	(17)	(75)
Dividends received	(319)	(317)
Decrease in stocks	1,016	806
Increase in debtors	(11,662)	(88,138)
Increase in creditors	17,395	65,185
Difference between pension charge and cash contributions	<u>(15,484)</u>	<u>59,244</u>
Net cash provided by (used in) operating activities	<u>(25,238)</u>	<u>(75,024)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Due to the negative reserves of the charitable company, its future ability to continue in operation remains a concern. However, the bank balance and debtor book remain healthy and reserves excluding the pension liability continue to be positive. For this reason, the going concern basis is considered appropriate.

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Donations and gifts are included in full in the Statement of Financial Activities when receivable.
- Legacies are included in the Statement of Financial Activities when the conditions of entitlement, certainty and measurement are satisfied.
- Grants are recognised in the Statement of Financial Activities when the conditions of receipt have been complied with as follows:
 - Grants where entitlement is not conditional on delivery of a specific performance by the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant.
 - Revenue grants are carried forward to the extent that the grantor specifies that the grant is for expenditure in future accounting periods. Grants carried forward in this way are accounted for as deferred income.
 - Grants from local government and other agencies have been included as income from activities in furtherance of the charitable company's objects where these amount to a contract for services, but as donations where the money is given in response to an appeal or as core funding with greater freedom of use.
- Income tax recoverable on covenanted giving and Gift Aid donations are accounted for in the year of receipt of the associated income on an accruals basis.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is accounted for when receivable.

1. ACCOUNTING POLICIES - continued

Expenditure

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

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Expenditure on charitable activities comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities as well as costs of an indirect nature necessary to support them.

Governance costs

Governance costs are included within support costs and allocated evenly across the major categories of expenditure included in the Statement of Financial Activities.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, eg per capita.

Tangible fixed assets and fixed asset investments

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 20% on cost

Expenditure on fixed assets not exceeding £500 per asset is included as expenditure within the Statement of Financial Activities in the year in which the assets are purchased.

Fixed asset investments are valued at market value. Surpluses or deficits arising on revaluation are accounted for in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

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

Designated funds are unrestricted funds earmarked by the Board of Trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The charitable company operates a defined benefit final earnings pension scheme, which was closed to new members with effect from 1998. The charity's contributions are set after advice from an independent actuary. The cost of employer contributions and net interest are recognised in the Statement of Financial Activities; unrealised gains and losses are recognised within Other Comprehensive income within the Statement of Financial Activities, and the net pension liability is recognised in the Balance Sheet.

The charitable company is part of a multi-employer defined benefit pension scheme, which is treated as a defined contribution scheme in accordance with FRS102. The charitable company has agreed deficit funding with the Scheme's administrator. The cost of employer deficit contributions and net interest are recognised in the Statement of Financial Activities; unrealised gains and losses are recognised within Other Comprehensive income within the Statement of Financial Activities, and the net pension liability (equal to the present value of the agreed deficit funding) is recognised in the Balance Sheet.

2. DONATIONS AND LEGACIES

	30.9.17	30.9.16
	£	£
Gifts	286	4,798
Legacies	-	1,970
Grants	<u>58,560</u>	<u>-</u>
	<u>58,846</u>	<u>6,768</u>

Grants received, included in the above, are as follows:

	30.9.17	30.9.16
	£	£
Big Potential Advanced Fund	<u>58,560</u>	<u>-</u>

3. OTHER TRADING ACTIVITIES

	30.9.17	30.9.16
	£	£
Provision of support to other charities	27,196	16,921
Commission	<u>1,291</u>	<u>5,401</u>
	<u>28,487</u>	<u>22,322</u>

4. INVESTMENT INCOME

	30.9.17	30.9.16
	£	£
Dividends received	319	317
Deposit account interest	<u>17</u>	<u>75</u>
	<u>336</u>	<u>392</u>

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

5. INCOME FROM CHARITABLE ACTIVITIES

		30.9.17	30.9.16
	Activity	£	£
Grants	BME project	-	73,788
Course fees	Communications	3,819	25,526
BSL interpreting	Communications	1,135,099	986,768
Deaf staff support income	Communications	174,866	175,657
Access to Work assessments	Communications	21,600	60,300
Community support income	Community support	459,335	315,349
Course fees	Learning	7,005	8,399
Grants	Other charitable projects	-	5,000
Books, DVD & AD Tech sales	Books, DVDs & AD Tech	47,730	43,148
		<u>1,849,454</u>	<u>1,693,935</u>

Grants received, included in the above, are as follows:

	30.9.17	30.9.16
	£	£
Church Urban Fund	-	5,000
BME	-	73,788
	<u>-</u>	<u>78,788</u>

6. RAISING FUNDS

Raising donations and legacies

	30.9.17	30.9.16
	£	£
Fundraising costs	-	443
	<u>-</u>	<u>443</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	£	(See note 8) £	£
Communications	1,184,748	70,437	1,255,185
Community support	363,073	220,211	583,284
Learning	11,340	8,204	19,544
Support for social groups	15,149	-	15,149
Other charitable projects	15,948	14,535	30,483
Books, DVDs & AD Tech	42,275	9,258	51,533
	<u>1,632,533</u>	<u>322,645</u>	<u>1,955,178</u>

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

8. SUPPORT COSTS

	Central overheads £	Finance £	IT & telephones £
Communications	34,236	17,632	5,501
Community support	116,633	60,062	18,745
Learning	-	-	-
Other charitable projects	3,484	1,793	560
Books, DVDs & AD Tech	<u>581</u>	<u>298</u>	<u>93</u>
	<u>154,934</u>	<u>79,785</u>	<u>24,899</u>

	Professional fees £	Governance costs £	Totals £
Communications	4,864	8,204	70,437
Community support	16,567	8,204	220,211
Learning	-	8,204	8,204
Other charitable projects	494	8,204	14,535
Books, DVDs & AD Tech	<u>82</u>	<u>8,204</u>	<u>9,258</u>
	<u>22,007</u>	<u>41,020</u>	<u>322,645</u>

Activity	Basis of allocation
Central overheads	Full time equivalents
Finance	Full time equivalents
IT & telephones	Full time equivalents
Professional fees	Full time equivalents
Governance costs	Evenly across main expenditure types

9. NET INCOME/(EXPENDITURE)

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

	30.9.17 £	30.9.16 £
Auditor's remuneration	4,270	6,340
Depreciation - owned assets	1,755	3,830
Hire of plant and machinery	-	1,582
Other operating leases	<u>35,042</u>	<u>23,269</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

During the year, travel expenses of £149 (2016: £273) were re-imbursed to trustees. No other remuneration, benefits or expenses were paid to trustees during either year.

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

11. STAFF COSTS

	30.9.17	30.9.16
	£	£
Wages and salaries	604,875	542,525
Social security costs	33,470	38,990
Other pension costs	5,172	1,778
	<u>643,517</u>	<u>583,293</u>

Key management personnel remuneration during the year amounted to £152,491.

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

	30.9.17	30.9.16
Central services	5	2
Charitable activities	<u>44</u>	<u>39</u>
	<u>49</u>	<u>41</u>

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	6,768	-	6,768
Charitable activities			
BME project	-	73,788	73,788
Communications	1,248,251	-	1,248,251
Community support	315,349	-	315,349
Learning	8,399	-	8,399
Other charitable projects	-	5,000	5,000
Books, DVDs & AD Tech	43,148	-	43,148
Other trading activities	22,322	-	22,322
Investment income	392	-	392
Other income	<u>2,137</u>	<u>-</u>	<u>2,137</u>
Total	1,646,766	78,788	1,725,554
EXPENDITURE ON			
Raising funds	443	-	443
Charitable activities			
BME project	27,026	73,789	100,815
Communications	1,180,888	-	1,180,888
Community support	357,787	-	357,787
Learning	35,180	422	35,602
Support for social groups	8,138	-	8,138
Other charitable projects	1,457	1,422	2,879
Books, DVDs & AD Tech	<u>91,269</u>	<u>-</u>	<u>91,269</u>
Total	1,702,188	75,633	1,777,821

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	(55,422)	3,155	(52,267)
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	<u>(134,306)</u>	<u>5,467</u>	<u>(128,839)</u>
Net movement in funds	(189,728)	8,622	(181,106)
RECONCILIATION OF FUNDS			
Total funds brought forward	-	-	-
TOTAL FUNDS CARRIED FORWARD	<u>(189,728)</u>	<u>8,622</u>	<u>(181,106)</u>

13. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 October 2016	7,335
Additions	<u>3,745</u>
At 30 September 2017	<u>11,080</u>
DEPRECIATION	
At 1 October 2016	3,830
Charge for year	<u>1,755</u>
At 30 September 2017	<u>5,585</u>
NET BOOK VALUE	
At 30 September 2017	<u>5,495</u>
At 30 September 2016	<u>3,505</u>

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

14. FIXED ASSET INVESTMENTS

	Cash and settlements pending £
MARKET VALUE	
At 1 October 2016	8,882
Additions	318
Revaluations	<u>326</u>
At 30 September 2017	<u>9,526</u>
NET BOOK VALUE	
At 30 September 2017	<u>9,526</u>
At 30 September 2016	<u>8,882</u>

There were no investment assets outside the UK.

15. STOCKS

	30.9.17	30.9.16
	£	£
Stocks	<u>6,739</u>	<u>7,755</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.17	30.9.16
	£	£
Trade debtors	406,766	384,703
Prepayments	<u>11,219</u>	<u>21,620</u>
	<u>417,985</u>	<u>406,323</u>

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.17	30.9.16
	£	£
Trade creditors	161,554	174,197
Social security and other taxes	6,310	12,341
VAT	87,839	44,440
Other creditors	1,992	1,383
Accruals and deferred income	<u>25,558</u>	<u>33,046</u>
	<u>283,253</u>	<u>265,407</u>

Deferred income amounts to £3,075 (2016: £9,483) and is included within accruals & deferred income above. The income has been deferred as it has been invoiced prior to the year end but relates to the provision of goods or services delivered after the year end.

The balance comprises the following:

Income from charitable activities: £3,075 (2016: £9,337)

Other income: £Nil (2016: £146)

18. LEASING AGREEMENTS

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

	30.9.17	30.9.16
	£	£
Within one year	5,000	25,000
Between one and five years	<u>36,501</u>	<u>10,330</u>
	<u>41,501</u>	<u>35,330</u>

19. MOVEMENT IN FUNDS

	At 1.10.16	Net movement	Transfers	At 30.9.17
	£	in funds	between funds	£
		£	£	
Unrestricted funds				
General fund	282,401	(23,330)	(9,356)	249,715
Fixed assets	3,505	(1,755)	3,745	5,495
Fixed asset investment fund	8,882	644	-	9,526
Pension reserve	<u>(484,517)</u>	<u>113,455</u>	<u>25,836</u>	<u>(345,226)</u>
	(189,729)	89,014	20,225	(80,490)
Restricted funds				
Over 50's Club	5,045	(1,168)	-	3,877
Church Urban Fund	3,578	(3,578)	-	-
Big Potential Advanced Fund	-	<u>21,810</u>	<u>(20,225)</u>	<u>1,585</u>
	8,623	17,064	(20,225)	5,462
TOTAL FUNDS	<u>(181,106)</u>	<u>106,078</u>	<u>-</u>	<u>(75,028)</u>

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,878,245	(1,901,575)	-	(23,330)
Fixed asset investment fund	318	-	326	644
Fixed assets	-	(1,755)	-	(1,755)
Pension reserve	-	(10,352)	123,807	113,455
	<u>1,878,563</u>	<u>(1,913,682)</u>	<u>124,133</u>	<u>89,014</u>
Restricted funds				
Church Urban Fund	-	(3,578)	-	(3,578)
Big Potential Advanced Fund	58,560	(36,750)	-	21,810
Over 50's Club	-	(1,168)	-	(1,168)
	<u>58,560</u>	<u>(41,496)</u>	<u>-</u>	<u>17,064</u>
TOTAL FUNDS	<u>1,937,123</u>	<u>(1,955,178)</u>	<u>124,133</u>	<u>106,078</u>

Comparatives for movement in funds

	At 1.10.15 £	Net movement in funds £	Transfers between funds £	At 30.9.16 £
Unrestricted Funds				
General fund	-	282,401	-	282,401
Fixed assets	-	3,505	-	3,505
Fixed asset investment fund	-	8,882	-	8,882
Pension reserve	-	(484,517)	-	(484,517)
	-	(189,729)	-	(189,729)
Restricted Funds				
Over 50's Club	-	5,045	-	5,045
Church Urban Fund	-	3,578	-	3,578
	-	8,623	-	8,623
TOTAL FUNDS	-	<u>(181,106)</u>	-	<u>(181,106)</u>

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,646,766	(1,703,314)	338,949	282,401
Fixed assets	-	(3,830)	7,335	3,505
Pension reserve	-	4,955	(489,472)	(484,517)
Fixed asset investment fund	-	-	8,882	8,882
	<u>1,646,766</u>	<u>(1,702,189)</u>	<u>(134,306)</u>	<u>(189,729)</u>
Restricted funds				
BME Project	73,788	(73,788)	-	-
Church Urban Fund	5,000	(1,422)	-	3,578
Over 50's Club	-	(422)	5,467	5,045
	<u>78,788</u>	<u>(75,632)</u>	<u>5,467</u>	<u>8,623</u>
TOTAL FUNDS	<u><u>1,725,554</u></u>	<u><u>(1,777,821)</u></u>	<u><u>(128,839)</u></u>	<u><u>(181,106)</u></u>

20. EMPLOYEE BENEFIT OBLIGATIONS

DEFINED BENEFIT SCHEME

Following a group reorganisation in previous years, the charitable company took on the obligations relating to a defined benefits final earnings pension scheme (the Scheme) previously run by Leicester & County Mission for Deaf People, which was closed to new members with effect from 1998.

The charitable company's contributions are set after advice from an independent actuary. The pension costs for the period were £23,500. There were no unpaid pension contributions due at the current year end.

The latest actuarial valuation of the Scheme was prepared as at 30th September 2017. The method used for this valuation was the projected unit credit method and the main assumptions are set out below.

The assets of the Scheme are held separately from those of the charity and are administered by independent trustees.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.17 £	30.9.16 £	30.9.17 £	30.9.16 £
Present value of funded obligations	(1,335,000)	(1,395,000)	(20,726)	(22,517)
Fair value of plan assets	<u>1,010,500</u>	<u>933,000</u>	-	-
	<u>(324,500)</u>	<u>(462,000)</u>	<u>(20,726)</u>	<u>(22,517)</u>
Deficit	<u>(324,500)</u>	<u>(462,000)</u>	<u>(20,726)</u>	<u>(22,517)</u>
Liability	<u><u>(324,500)</u></u>	<u><u>(462,000)</u></u>	<u><u>(20,726)</u></u>	<u><u>(22,517)</u></u>

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

20. EMPLOYEE BENEFIT OBLIGATIONS
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.17	30.9.16	30.9.17	30.9.16
	£	£	£	£
Net interest charge on net defined benefit asset/liability	<u>31,000</u>	<u>19,000</u>	<u>352</u>	<u>373</u>
	<u>31,000</u>	<u>19,000</u>	<u>352</u>	<u>373</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.17	30.9.16	30.9.17	30.9.16
	£	£	£	£
Defined benefit obligation	1,395,000	1,333,000	22,517	18,273
Contributions by employer	-	-	(2,336)	(2,328)
Interest cost	31,000	61,000	352	373
Actuarial losses/(gains)	(38,000)	-	-	-
Benefits paid	(53,000)	(156,000)	-	-
Obligation: other remeasurement	-	157,000	193	6,199
	<u>1,335,000</u>	<u>1,395,000</u>	<u>20,726</u>	<u>22,517</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	30.9.17	30.9.16
	£	£
Fair value of scheme assets	933,000	926,000
Interest income on plan assets	21,000	42,000
Contributions by employer	23,500	22,000
Benefits paid	(53,000)	(156,000)
Return on plan assets (excluding interest income)	<u>86,000</u>	<u>99,000</u>
	<u>1,010,500</u>	<u>933,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.17	30.9.16	30.9.17	30.9.16
	£	£	£	£
Obligation: other remeasurement	-	(157,000)	(193)	(6,199)
Return on plan assets (excluding interest income)	<u>86,000</u>	<u>99,000</u>	<u>-</u>	<u>-</u>
	<u>86,000</u>	<u>(58,000)</u>	<u>(193)</u>	<u>(6,199)</u>

Action Deafness

Notes to the Financial Statements - continued for the Year Ended 30 September 2017

20. EMPLOYEE BENEFIT OBLIGATIONS **- continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	30.9.17	30.9.16
Equities	67%	72%
Bonds	20%	18%
Property	8%	9%
Cash	5%	1%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	Defined benefit pension plans	
	30.9.17	30.9.16
Discount rate	2.7%	2.3%
Future salary increases	3.4%	3.3%
Future pension increases	2%	2%

DEFINED CONTRIBUTION SCHEME

The defined contribution scheme disclosures noted above relate to the company's liability in relation to the TPT Retirement Solutions - The Growth Plan: a multi-employer scheme in which it participates, which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional deficit contributions to the scheme as follows:

- From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

20. EMPLOYEE BENEFIT OBLIGATIONS
- continued

Where the scheme is in deficit and where the charitable company has agreed to a deficit funding arrangement the charitable company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

21. RELATED PARTY DISCLOSURES

During the year, expenses of £149 (2016: £273) were claimed by trustees - at the year end a balance of £51 (2016: £104) had not yet been reimbursed.

During the year, the charitable company purchased services to the value of £Nil (2016: £55) from a company of which one of the trustees is a director. The prior year purchase was at normal market terms and had been fully paid by the previous year end.

During the year, the charitable company undertook a joint Community Support project with Cambridgeshire Deaf Association, of which one of the trustees is the CEO. Fees of £12,206 (2016: £2,202) were charged by Cambridgeshire Deaf Association at normal market terms, and a balance of £243 (2016: £1,602) remained outstanding at the year end.

22. PURPOSE OF RESTRICTED FUNDS

Over 50's Club

This was a legacy received specifically to support the activities of an Over 50's Club, supported by Action Deafness, which meets weekly. The club committee request a drawdown of the funds as required.

Church Urban Fund

This was a grant received from Near Neighbours, which is administered by the Church Urban Fund. The funds are to be used to support the Deaf Friends Group in order to encourage expansion, training and the provision of arts and crafts activities.

Big Potential Advanced (BPA) Fund

This grant was received to fund work being undertaken to improve the contract tendering capability of Action Deafness.

23. FINANCIAL INSTRUMENTS

Financial assets carried at amortised cost amount to £406,766 (2016: £384,703).

Financial assets measured at fair value through the SOFA amount to £9,526 (2016: £8,882), on which £326 (2016: £907) has been recognised in the SOFA this year. Fair value is notified at regular intervals by the institute with whom the investments are held.

Financial liabilities carried at amortised cost amount to £184,037 (2016: £197,760).