

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2019
for
Action Deafness

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

Action Deafness

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for the Year Ended 30 September 2019

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Action Deafness (Registered number: 06706042)

Report of the Trustees
for the Year Ended 30 September 2019

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 2019. 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).

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.

NEW 2023 STRATEGY:

Action Deafness (AD) is a Deaf-led charitable organisation based in the East Midlands and providing services nationwide through key partnerships. We provide Communications Interpreting services to enable Deaf people to access wider services. We also provide Community Support and Personal Care services so Deaf people can receive tailor made support when needed.

As we move forward it is critical that in the next five years Action Deafness:

- i) develops new and innovative service delivery opportunities for Children, Young People, Families and Older People
- ii) works more closely with strategic partners including SignLive and YOUchoose.

Action Deafness also wishes to become more adept at communicating with our key stakeholders, customers and clients to develop/deliver services that meet needs effectively.

VISION:

"A society where Deaf* people have informed choice, complete control of their lives, equal access to quality services and full communication when they need it."

(* Denotes Deaf, deafened, Hard of Hearing and deafblind people)

VALUES:

Caring - we care about Deaf, Hard of Hearing, Deafened and Deafblind people

Accessible - we aim to make our services more accessible and help make other services more accessible

Responsive - we always put our customers and service users FIRST

Dynamic - we have a 'CAN-DO' attitude so we will never give up until we get our services right

Honest - we are open and communicate effectively with our clients. We are sensitive to our clients' needs

Deaf-led - we lead by example. We are passionate and committed to our organisation and services

CORE VALUES:

- People-centred
- Empowering
- Challenging ways of thinking positively about deafness (hearing loss)
- Transforming lives
- Promoting independence and equality
- Developing new ideas and opportunities

MISSION:

Action Deafness exists to work with Deaf people and people with hearing loss, helping them have increased access, independence, choice and control.

We will do this by:

- Maximising opportunities for Deaf people to live the life they choose by providing Personal Assistants and offering Personal Care services
- Improving access to services by promoting effective communication solutions
- Ensuring sustainability of the organisation through growth, partnership and diversification
- Being one of the leading providers of Communications Interpreting, Community Care and Personal Care Support.

KEY SUPPORTING PRINCIPLES:

- Be Deaf-led

Report of the Trustees
for the Year Ended 30 September 2019

- Be a catalyst for positive change, creating opportunity through partnerships
- Use our knowledge and expertise to support provision in all areas
- Risk-taking is part of growth and consolidation.

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.

OBJECTIVES AND ACTIVITIES

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 our charitable obligation to Leicester, Loughborough, Leicestershire and Rutland whilst we continue, as a 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 2018-2019 to benefit Deaf, hard of hearing, deafened and deafblind people and services to increase awareness amongst the hearing community are as follows:

- Community Support, Personal Care & Assistant
- YOUchoose consortium/partnership working with local/regional Deaf organisations
- Huntingdon Deaf Care Project (CQC-registered care provision in partnership with Cambridgeshire Deaf Association (CDA) which terminated in May 2019.
- AD Communications (Interpreting provision for contracted services)
- Video Remote Interpreting (VRI) provision in partnership with SignLive
- AD Tech (contracted equipment and referral service with Leicester City Council)
- Joint Venture Partnership with Deaf Direct, DeafPLUS and Cumbria Deaf Association

Service Level Agreements, Contracts and Grants 2018-2019

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 and Hove Clinical Commissioning Group, Brighton and Sussex University Hospitals and Sussex Partnership Foundation NHS Trust for the delivery of Face to Face BSL interpreting and lipspeaking services within Brighton and Sussex
3. East Sussex County Council (SUSTI) framework contract for the delivery of Face to Face BSL interpreting and lipspeaking with 20 other local, district and health agencies throughout Brighton and Sussex
4. Sussex Community Mental Health NHS Foundation Trust for the delivery of BSL interpreting and lipspeaking in 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 utilising 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 (via sub-contracted basis)
9. Joint Venture Agreement with Deaf Direct to deliver leadership and management support (and an eventual merger) in Worcestershire, Herefordshire and Oxfordshire
10. Numerous individual contract agreements established via Personal Budgets and Direct Payments for the delivery of community support throughout Leicestershire, Derbyshire, Nottinghamshire, Warwickshire, Staffordshire and Northamptonshire
11. Leicester City Council Technical Equipment contract to assess for, and provide where appropriate, aids and equipment throughout the City related to hearing loss
12. Partnership agreement with Cambridge Deaf Association to deliver registered personal care services for three years to 31st May 2019
13. YOUchoose consortium - partnership with five other local, regional and national Deaf organisations to assist with the development of care and support services since May 2016
14. Sub-contract from Deafplus UK for the provision of Befrienders Scheme in Birmingham on a rolling 12-month contract since February 2018

OBJECTIVES AND ACTIVITIES

15. Start-Up Grant provided by Hertfordshire County Council Adult Social Care Sensory Team to fund the development of Community

PA service in Hertfordshire. This project began in August 2019 and will end in February 2020.

16. Partnership agreement with Cumbria Deaf Association to deliver managerial support for their CQC registered care & support services which started in July 2019 and will end in December 2019.

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 AD Communications services 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.

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.

General Data Protection Regulation (GDPR) statement

The charity has a GDPR 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 our services. We have procedures 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.

Grant making policy

The charitable company does not make or award any significant grants.

Complaints

The charitable company has a robust complaints procedure. We have received complaints during the year; these have been handled professionally and were 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 Five Year Strategy 2023 (approved by the Board of Trustees in September 2018).

This confirms the year-end position as at 30th September 2019 regarding all objectives from the departmental operating plan 2018-2019.

Action Deafness has three offices in Leicester, Loughborough and Derby. It also has one hot-desk office in Brighton and Birmingham (through Deafplus).

Community Support, Personal Care & Assistant Service:

AD Community was again been restructured in November 2018 with the two Senior Personal Assistants taking on the respective roles of

Admin and PA Coordinator. These individuals support the Community Registered Manager and the Community Business Manager to deliver Midlands PA, YOUchoose partners and the growth of new business development opportunities. Community has provided an increase in support hours, from 14,000 hours per year in 2018 to around 28,000 by the end of September 2019.

AD Community worked in partnership with Cambridgeshire Deaf Association (CDA) to develop and deliver Huntingdon Deaf Care Project services for its six Deaf clients based in Huntingdon. After a successful three year contract, this partnership arrangement concluded in May 2019 as AD supported the CDA to operate this service independently from May 2019.

AD Community received a 'good' overall rating from the CQC Inspection Report in April 2019.

AD Community secured an agreement with DeafPLUS to deliver a Befriender Scheme in Birmingham for an additional 12 months to February 2020. Community supervised and supported a coordinator post to run this service based in Birmingham.

AD Community secured 'Start-Up' Grant of £16,000 to assist Hertfordshire Sensory Team with the development of new PA service in Herts. The project began in August 2019 and will end in February 2020.

AD Community also supported Cumbria Deaf Association with their CQC and care & support management on an interim basis. This arrangement began in July 2019 and ended in December 2019.

Community Business Manager also provided managerial support to DeafPLUS's YOUchoose PA service from April 2019 and this arrangement will conclude in December 2019.

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

Since January 2019, the Community Business Manager has been tasked to review the Outreach provision by Deaf Direct and help streamline and restructure its PA Services in Worcestershire & Herefordshire.

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

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

Leicester User Groups

Action Deafness continues to contribute towards venue costs for groups to meet at 1) The Firs and 2) All Nations Centre in Leicester, in line with the charitable objectives of the organisation.

Loughborough User Group

Action Deafness continues to contribute towards venue costs for hard of hearing groups in Loughborough. They choose to use the Loughborough Baptist Church as their regular place for social meetings/activities.

AD Tech:

AD Tech carried out assessments for, and delivered equipment to, Deaf, deafened, hard of hearing and deafblind people from Leicester under the contract with Leicester City Council. This is following the extension of its contract beyond March 2018 for a further three years plus one.

Quality:

ISO Coordinator worked with the Interim Chief Officer (Head of Finance) to successfully maintain ISO9001 and ISO27001 accreditation certificates in May 2019. Sophie subsequently left the organisation in August 2019 and a replacement was identified by November 2019.

Leadership & Management Support and eventual merger - Deaf Direct

In November 2018, CEO approached the Chair of Deaf Direct to discuss a potential collaboration. In December 2018, the Deaf Direct Board approved Stages 1 and 2 of a proposed Development Plan. AD SMT began providing leadership and management support in January 2019. In April 2019, the Deaf Direct Board approved Stage 2 of an Action Plan which would move towards a merger following due diligence arrangements. In June 2019, both AD and DD Boards formally approved the merger arrangements. A steering Group was established and meetings took place in June, July and August 2019 with SMT and Trustee Representatives from both organisations. On 1st October 2019, Deaf Direct transferred its assets and became formally merged to Action Deafness.

AD Communications Interpreting:

Communications Services increased its capacity during 2018-2019 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 successfully delivered primary contracts with Brighton and Hove CCG/Sussex Partnership NHS Trust/Surrey and Borders NHS Trust and Sussex (SUSTI) framework contracts for face to face BSL Interpreters and lipspeakers in Brighton and Sussex.

Communications Interpreting has been influential in other potential bids due to its approved status with Health Trust Europe's (HTE) Agreement Framework. This has enabled AD Communications Interpreting to increase the geographical area covered by provision of services.

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

Following successful re-tendering contracts obtained in Brighton and St Andrew's Healthcare Trust, Communications Interpreting has two in-house BSL interpreters based in East Midlands. The team also includes: a Head of Interpreting, 2 in-house Senior BSL interpreters (1 East Midlands currently on maternity leave and 1 based in Brighton), Bookings Manager (currently on maternity leave) and two full-time booking coordinators.

The Head of Communications Interpreting successfully negotiated with SignLive to set up 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 £2,894,900 (2018: £2,319,906). Expenditure for the same period amounted to £2,880,817 (2018: £2,240,650). As a result the surplus for the period (before other recognised gains and losses) was £14,690 (2018: £79,789)

The defined benefit scheme liability increased to £323,500 (2018: £238,500) 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 £14,315 (2018: £17,882)

Total funds on hand at the balance sheet amount to net liabilities of £13,397 (2018: net assets of £74,514) however this includes pension deficits of £337,815 (2018: £256,382). £26,933 (2018: £23,692) can only be realised through the sale of tangible fixed assets.

Funds on hand at the Balance Sheet date comprise restricted Funds of £3,529 (2018: £3,877) and designated funds (excluding the pension liability noted above) of £38,233 (2018: £34,065) - these comprise the charity's tangible fixed assets and fixed asset investments. Free Reserves, excluding the pension liability, amount to £282,656 (2018: £292,854).

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.

Over the past few years, due to the level of year end reserves (and in particular the pension liability) the level of reserves has been insufficient to maintain designated funds. However due to the current year surplus, reserves are starting to be built back up again.

The trustees recognise the importance of ensuring that, a suitable level of reserves are maintained and 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 charitable company over the past few years, it's future ability to continue in operation remains a concern. The charitable company generated a surplus in the prior year, compared to the deficits in the past several years, as a result of strict cost control, a practice which the trustee directors are dedicated to continue.

The charitable company generated a positive net income in the current year before recognising an increase in the defined benefit liability

The defined benefit liability increased to £323,500 (2018: £238,500) due to factors outside the control of the trustee directors.

The charity maintains a healthy bank balance and debtor book, and for all of the above reasons, the trustee directors continue to adopt going concern principles in the financial statements.

FINANCIAL REVIEW

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 2013, there are 10 pensioners (whose average age is 69) and 8 deferred pensioners (whose average age is 54) 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 liability continues to be a significant drain on reserves - unrestricted reserves excluding the pension liability amount to £320,888 (2018: £327,019) compared to a deficit of £16,926 (2018: £70,637) after the liability is included.

FUTURE PLANS

Below are the highlights of developments in line with AD's new Five Year Strategy (2018-2023) objectives for the financial year of 2019-2020

- Five-Year Strategy - the Action Deafness Board approved its operational objectives for the Business Operating Plan for 2019-2020
- Due to the new merger with Deaf Direct, Action Deafness has a wider profile as a Deaf-led charitable organisation. Action Deafness has implemented a new management and staff structure, new plans for user consultation groups to begin in 2020 year and an increase in catchment areas such as Worcestershire, Herefordshire and Oxfordshire.
- AD is to work towards developing a new Oxford/shire Plan with partners following the sale of the Oxford Deaf Centre Building (expected sale date - Easter 2020).
- AD is planning to re-launch its Tech/Equipment Services - A new business drive/launch is intended in April 2020 to build on the foundations of Deaf Direct's former Equipment Services.
- Hertfordshire - AD will endeavour to develop and deliver new Community Personal Assistant (PA) services with new coordinator to be appointed by May 2020
- New 24/7 Care Project - AD will consolidate partnership with Futures Housing Group to develop and deliver a new Deaf Care project in Derbyshire for Deaf individuals with mental health and complex needs. This will be achieved in early 2020.
- Communications Interpreting - AD Communications will consolidate current contracts and expand to win further tender opportunities for BSL interpreting throughout the UK. The intention is to build on high quality, value for money services that have high customer satisfaction rates. More new staff will be needed to meet the growth and demands for the booking aspect of this service. Two more new coordinators will be appointed in October/November 2019
- AD Community - expanding successes of individual contracts beyond the East Midlands. Community will continue working strategically by targeting opportunities in the Midlands and beyond with the help of the YOUchoose partnership
- AD Communications will consolidate and increasing delivery of video relay service interpreters on behalf of SignLive
- AD Community (User Groups) - AD will continue to contribute towards the meeting venue costs of user groups
- AD Tech - Tech services will continue to deliver referred equipment services via Leicester City Council

Summary

The information above identifies developments in line with the 2018-2023 Five Year Strategic Plan. Service users/clients have greatly benefitted from a range of the highest quality services provided by Action Deafness. Tireless effort by staff, trustees and volunteers has delivered improvements while providing excellent services. Support from contractors, commissioners and funders has also contributed to the successful delivery of services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, governance and 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 exempt from the use of the word "Limited" within its name.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee directors

The management of the 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.

Due to the eventuality of the merger with Deaf Direct, the charitable company welcomed three new Trustee Directors to join Action Deafness Board from 1st October 2019: William Stavert (Herefordshire), Barry Ross (Worcestershire) and Penelope Lenon (Oxford).

Our long-serving Board member, Karen Welch (Read), retired as Joint Chair after seven years and was replaced by Deaf Direct's Chair,

Barry Ross, from 1st October 2019. Karen was presented with a fountain pen for her long service. She is now based in the US.

Organisational structure

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

Decision making

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 and 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.

Key management remuneration

The key management personnel of the charitable company include the Trustee Directors and the Senior Management Team (now Executive Leadership Team), which consists of CEO, Head of Finance, Head of Interpreting and the Community Business Manager. HR

& Communications Manager and Service Manager were both added in the latter part of this financial year as part of merger arrangements agreed with Deaf Direct.

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 for the 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management analysis

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

Trustee Directors use a risk register to manage risk which considers key areas of governance, operations, finance, environment and compliance.

Each area is reviewed for potential risks, potential impact of risks and steps for mitigation.

Trustee Directors, together with the CEO and the Executive Leadership Team, review all operations and update the register annually in conjunction with ISO 9001 Quality Management, ISO 27001 Information and Security 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
06706042 (England and Wales)

Registered Charity number
1163758

Registered office
Peepul Centre
28 Orcharadson Avenue
Leicester
Leicestershire
LE4 6DP

Trustees

Trustee/Directors
R F Hilton Vice Chair
A Lewis
K Read Joint Chair (resigned 17 September 2019)
B J A Stephens
E Allen Joint Chair
H Foulkes
L Warnes (appointed 11 December 2018)
B K Ross (appointed 1 October 2019)
W H Stavert (appointed 1 October 2019)
P A Lenon (appointed 1 October 2019)

Company Secretary
C A Crowley MBE

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

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

Solicitors

Frisby & Small Solicitors LLP
5 De Montfort Street
Leicester
LE1 7GT

Chief Executive

CA Crowley, MBE

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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.

Action Deafness (Registered number: 06706042)

Report of the Trustees
for the Year Ended 30 September 2019

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 Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19 June 2020 and signed on its behalf by:

R F Hilton - Trustee

Report of the Independent Auditors to the Members of
Action Deafness

Opinion

We have audited the financial statements of Action Deafness (the 'charitable company') for the year ended 30 September 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is c o n s i s t e n t with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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.

Report of the Independent Auditors to the Members of
Action Deafness

Use of our report

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

Christopher David Hutton FCCA (Senior Statutory Auditor)
for and on behalf of Charnwood Accountants & Business Advisors LLP
Statutory Auditor
The Point
Granite Way
Mountsorrel
Loughborough
Leicestershire
LE12 7TZ

19 June 2020

Action Deafness

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 30 September 2019

	Notes	Unrestricted funds £	Restricted funds £	30.9.19 Total funds £	30.9.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	19,316	-	19,316	61,881
Charitable activities					
Communications	5	2,212,504	-	2,212,504	1,660,542
Community Support		567,125	-	567,125	532,567
Learning		4,995	-	4,995	5,349
Books, DVDs and AD Tech		32,751	-	32,751	33,841
Other trading activities	3	57,452	-	57,452	25,353
Investment income	4	757	-	757	373
Total		<u>2,894,900</u>	<u>-</u>	<u>2,894,900</u>	<u>2,319,906</u>
EXPENDITURE ON					
Raising funds	6	4,187	-	4,187	-
Charitable activities					
Communications	7	2,088,700	-	2,088,700	1,551,527
Community Support		732,668	-	732,668	630,764
Learning		2,743	-	2,743	5,203
Support for social groups		12,578	-	12,578	13,624
Other charitable projects		16,008	-	16,008	16,163
Books, DVDs and AD Tech		18,649	348	18,997	23,369
Business Development		-	-	-	-
Fundraising		4,936	-	4,936	-
Total		<u>2,880,469</u>	<u>348</u>	<u>2,880,817</u>	<u>2,240,650</u>
Net gains on investments		607	-	607	533
NET INCOME/(EXPENDITURE)		<u>15,038</u>	<u>(348)</u>	<u>14,690</u>	<u>79,789</u>

The notes form part of these financial statements

Action Deafness

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2019

	Unrestricted funds	Restricted funds	30.9.19 Total funds	30.9.18 Total funds
Notes	£	£	£	£
Other recognised gains/(losses)				
Gains/(losses) on revaluation of fixed assets	(104,000)	-	(104,000)	69,000
Actuarial gains on defined benefit schemes	1,399	-	1,399	753
Net movement in funds	<u>(87,563)</u>	<u>(348)</u>	<u>(87,911)</u>	<u>149,542</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	70,637	3,877	74,514	(75,028)
TOTAL FUNDS CARRIED FORWARD	<u>(16,926)</u>	<u>3,529</u>	<u>(13,397)</u>	<u>74,514</u>

The notes form part of these financial statements

Balance Sheet
30 September 2019

	Notes	Unrestricted funds £	Restricted funds £	30.9.19 Total funds £	30.9.18 Total funds £
FIXED ASSETS					
Tangible assets	13	26,933	-	26,933	23,692
Investments	14	<u>11,300</u>	<u>-</u>	<u>11,300</u>	<u>10,373</u>
		38,233	-	38,233	34,065
CURRENT ASSETS					
Stocks	15	6,695	-	6,695	7,754
Debtors	16	532,507	-	532,507	451,554
Cash at bank		<u>260,432</u>	<u>3,529</u>	<u>263,961</u>	<u>162,461</u>
		799,634	3,529	803,163	621,769
CREDITORS					
Amounts falling due within one year	17	(516,978)	-	(516,978)	(324,938)
NET CURRENT ASSETS		<u>282,656</u>	<u>3,529</u>	<u>286,185</u>	<u>296,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		320,889	3,529	324,418	330,896
PENSION LIABILITY	20	(323,500)	-	(323,500)	(238,500)
RETIREMENT HEALTHCARE BENEFITS OBLIGATIONS	20	(14,315)	-	(14,315)	(17,882)
NET ASSETS/(LIABILITIES)		<u>(16,926)</u>	<u>3,529</u>	<u>(13,397)</u>	<u>74,514</u>
FUNDS	19				
Unrestricted funds				(16,926)	70,637
Restricted funds				<u>3,529</u>	<u>3,877</u>
TOTAL FUNDS				<u>(13,397)</u>	<u>74,514</u>

Action Deafness (Registered number: 06706042)

Balance Sheet - continued
30 September 2019

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

The financial statements were approved by the Board of Trustees and authorised for issue on 19 June 2020 and were signed on its behalf by:

R F Hilton - Trustee

The notes form part of these financial statements

Action Deafness

Cash Flow Statement
for the Year Ended 30 September 2019

	Notes	30.9.19 £	30.9.18 £
Cash flows from operating activities			
Cash generated from operations	1	111,805	70,827
Interest paid		<u>(242)</u>	<u>-</u>
Net cash provided by operating activities		<u>111,563</u>	<u>70,827</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,500)	(22,445)
Purchase of fixed asset investments		(320)	-
Interest received		436	18
Dividends received		<u>321</u>	<u>355</u>
Net cash used in investing activities		<u>(10,063)</u>	<u>(22,072)</u>
Change in cash and cash equivalents in the reporting period			
		101,500	48,755
Cash and cash equivalents at the beginning of the reporting period			
		<u>162,461</u>	<u>113,706</u>
Cash and cash equivalents at the end of the reporting period			
		<u>263,961</u>	<u>162,461</u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.19	30.9.18
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	14,690	79,789
Adjustments for:		
Depreciation charges	7,260	4,247
Losses on investments	(607)	-
Interest received	(436)	(18)
Interest paid	242	-
Dividends received	(321)	(355)
Decrease/(increase) in stocks	1,059	(1,015)
Increase in debtors	(80,954)	(33,569)
Increase in creditors	192,040	41,685
Difference between pension charge and cash contributions	(21,168)	(19,937)
Net cash provided by operations	<u>111,805</u>	<u>70,827</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.

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.

1. ACCOUNTING POLICIES - continued

Raising funds

Expenditure on raising funds comprises:

- the costs associated with attracting voluntary income
- the costs of fundraising.
- the costs incurred in generating trading and other income

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 activities 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

All assets transferred in from Leicester & County Mission for Deaf People at 1st October 2015 have been recognised as additions at their net book value at that date, however they continue to be depreciated at 20% of their original cost in order to write off their value over their estimated useful life.

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 registered with HMRC as a charity and a charitable company for tax purposes, in line with paragraph 1 of Schedule 6 Finance Act 2010.

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.

1. ACCOUNTING POLICIES - continued

Fund accounting

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.

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

	30.9.19	30.9.18
	£	£
Gifts	4,725	2,838
Legacies	<u>14,591</u>	<u>59,043</u>
	<u>19,316</u>	<u>61,881</u>

3. OTHER TRADING ACTIVITIES

	30.9.19	30.9.18
	£	£
Provision of support to other charities	19,567	24,071
Commission	294	1,282
Business development	<u>37,591</u>	<u>-</u>
	<u>57,452</u>	<u>25,353</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

4. INVESTMENT INCOME		30.9.19	30.9.18
		£	£
Dividends received		321	355
Interest received		<u>436</u>	<u>18</u>
		<u><u>757</u></u>	<u><u>373</u></u>
5. INCOME FROM CHARITABLE ACTIVITIES		30.9.19	30.9.18
	Activity	£	£
Course fees	Communications	158	293
BSL interpreting	Communications	2,021,025	1,493,469
Deaf staff support income	Communications	191,321	166,780
	Community Support		
Community support income		567,125	532,567
Course fees	Learning		
		4,995	5,349
Books, DVD & AD Tech sales	Books, DVDs and AD Tech	<u>32,751</u>	<u>33,841</u>
		<u><u>2,817,375</u></u>	<u><u>2,232,299</u></u>
6. RAISING FUNDS			
Other trading activities		30.9.19	30.9.18
		£	£
Bad debts		954	-
Communication support		<u>3,233</u>	<u>-</u>
		<u><u>4,187</u></u>	<u><u>-</u></u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Communications	2,023,727	64,973	2,088,700
Community Support			
Learning	467,106	265,562	732,668
	2,743	-	2,743
Support for social groups	12,578	-	12,578
Other charitable projects	8,895	7,113	16,008
Books, DVDs and AD Tech	18,997	-	18,997
Fundraising	4,936	-	4,936
	<u>2,538,982</u>	<u>337,648</u>	<u>2,876,630</u>

8. SUPPORT COSTS

	Central overheads £	Finance £	IT & telephones £
Communications	33,841	15,874	4,509
Community Support			
Other charitable projects	141,574	66,412	18,868
	2,762	1,296	369
	<u>178,177</u>	<u>83,582</u>	<u>23,746</u>
	Professional fees £	Governance costs £	Totals £
Communications	8,781	1,968	64,973
Community Support			
Other charitable projects	36,739	1,969	265,562
	717	1,969	7,113
	<u>46,237</u>	<u>5,906</u>	<u>337,648</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

8. SUPPORT COSTS - continued

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):

	30.9.19	30.9.18
	£	£
Auditor's remuneration	5,471	5,220
Depreciation - owned assets	7,259	4,248
Other operating leases	<u>29,316</u>	<u>26,581</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2019 nor for the year ended 30 September 2018.

Trustees' expenses

During the year, travel expenses of £1,198 (2018: £300) were re-imbursed to trustees. No other remuneration, benefits or expenses were paid to trustees during either year.

11. STAFF COSTS

	30.9.19	30.9.18
	£	£
Wages and salaries	691,210	573,914
Social security costs	43,379	32,797
Other pension costs	<u>16,663</u>	<u>8,379</u>
	<u>751,252</u>	<u>615,090</u>

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

	30.9.19	30.9.18
Central services	6	3
Charitable activities	<u>58</u>	<u>49</u>
	<u>64</u>	<u>52</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

11. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	30.9.19	30.9.18
£60,001 - £70,000	<u>1</u>	<u>-</u>

Key management personnel remuneration during the year amounted to £104,675 (2017: £79,892)

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	61,881	-	61,881
Charitable activities			
Communications	1,660,542	-	1,660,542
Community Support	532,567	-	532,567
Learning	5,349	-	5,349
Books, DVDs and AD Tech	33,841	-	33,841
Other trading activities	25,353	-	25,353
Investment income	373	-	373
Total	<u>2,319,906</u>	<u>-</u>	<u>2,319,906</u>
EXPENDITURE ON			
Charitable activities			
Communications	1,550,999	528	1,551,527
Community Support	630,236	528	630,764
Learning	5,203	-	5,203
Support for social groups	13,624	-	13,624
Other charitable projects	15,635	528	16,163
Books, DVDs and AD Tech	23,369	-	23,369
Business Development	-	-	-
Total	<u>2,239,066</u>	<u>1,584</u>	<u>2,240,650</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net gains on investments	533	-	533
NET INCOME/(EXPENDITURE)	<u>81,373</u>	<u>(1,584)</u>	<u>79,789</u>
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	69,000	-	69,000
Actuarial gains on defined benefit schemes	753	-	753
Net movement in funds	<u>151,126</u>	<u>(1,584)</u>	<u>149,542</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	(80,490)	5,462	(75,028)
TOTAL FUNDS CARRIED FORWARD	<u>70,636</u>	<u>3,878</u>	<u>74,514</u>

13. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 October 2018	33,525
Additions	<u>10,500</u>
At 30 September 2019	<u>44,025</u>
DEPRECIATION	
At 1 October 2018	9,833
Charge for year	<u>7,259</u>
At 30 September 2019	<u>17,092</u>
NET BOOK VALUE	
At 30 September 2019	<u>26,933</u>
At 30 September 2018	<u>23,692</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

14. FIXED ASSET INVESTMENTS

	Cash and settlements pending £
MARKET VALUE	
At 1 October 2018	10,373
Additions	320
Revaluations	607
At 30 September 2019	<u>11,300</u>
NET BOOK VALUE	
At 30 September 2019	<u>11,300</u>
At 30 September 2018	<u>10,373</u>

There were no investment assets outside the UK.

15. STOCKS

	30.9.19 £	30.9.18 £
Stocks	<u>6,695</u>	<u>7,754</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.19 £	30.9.18 £
Trade debtors	477,528	434,046
Other debtors	36,000	-
Prepayments	18,979	17,508
	<u>532,507</u>	<u>451,554</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.19	30.9.18
	£	£
Trade creditors	331,378	191,943
Social security and other taxes	11,351	11,865
VAT	153,164	98,225
Other creditors	4,779	2,943
Accruals and deferred income	<u>16,306</u>	<u>19,962</u>
	<u>516,978</u>	<u>324,938</u>

18. LEASING AGREEMENTS

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

	30.9.19	30.9.18
	£	£
Within one year	13,393	-
Between one and five years	-	23,076
	<u>13,393</u>	<u>23,076</u>

19. MOVEMENT IN FUNDS

	At 1.10.18 £	Net movement in funds £	Transfers between funds £	At 30.9.19 £
Unrestricted funds				
General fund	292,953	24,765	(35,295)	282,423
Fixed Assets	23,693	(7,260)	10,500	26,933
Fixed Asset Investment Fund	10,373	1,364	(205)	11,532
Pension Reserve	<u>(256,382)</u>	<u>(106,432)</u>	<u>25,000</u>	<u>(337,814)</u>
	70,637	(87,563)	-	(16,926)
Restricted funds				
Over 50's Club	3,877	(348)	-	3,529
TOTAL FUNDS	<u>74,514</u>	<u>(87,911)</u>	<u>-</u>	<u>(13,397)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

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	2,894,143	(2,869,378)	-	24,765
Fixed Assets	-	(7,260)	-	(7,260)
Fixed Asset Investment Fund	757	-	607	1,364
Pension Reserve	-	(3,831)	(102,601)	(106,432)
	<u>2,894,900</u>	<u>(2,880,469)</u>	<u>(101,994)</u>	<u>(87,563)</u>
Restricted funds				
Over 50's Club	-	(348)	-	(348)
TOTAL FUNDS	<u>2,894,900</u>	<u>(2,880,817)</u>	<u>(101,994)</u>	<u>(87,911)</u>

Comparatives for movement in funds

	At 1.10.17 £	Net movement in funds £	Transfers between funds £	At 30.9.18 £
Unrestricted funds				
General fund	249,715	90,624	(47,386)	292,953
Fixed Assets	5,495	(4,248)	22,446	23,693
Fixed Asset Investment Fund	9,526	907	(60)	10,373
Pension Reserve	<u>(345,226)</u>	<u>63,844</u>	<u>25,000</u>	<u>(256,382)</u>
	(80,490)	151,127	-	70,637
Restricted funds				
Over 50's Club	3,877	-	-	3,877
Big Potential Advanced (BPA) Fund	<u>1,585</u>	<u>(1,585)</u>	-	-
	5,462	(1,585)	-	3,877
TOTAL FUNDS	<u>(75,028)</u>	<u>149,542</u>	<u>-</u>	<u>74,514</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

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	2,319,533	(2,228,909)	-	90,624
Fixed Assets	(1)	(4,247)	-	(4,248)
Fixed Asset Investment Fund	374	-	533	907
Pension Reserve	-	(5,909)	69,753	63,844
	<u>2,319,906</u>	<u>(2,239,065)</u>	<u>70,286</u>	<u>151,127</u>
Restricted funds				
Big Potential Advanced (BPA) Fund	-	(1,585)	-	(1,585)
TOTAL FUNDS	<u>2,319,906</u>	<u>(2,240,650)</u>	<u>70,286</u>	<u>149,542</u>

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

	At 1.10.17 £	Net movement in funds £	Transfers between funds £	At 30.9.19 £
Unrestricted funds				
General fund	249,715	115,389	(82,681)	282,423
Fixed Assets	5,495	(11,508)	32,946	26,933
Fixed Asset Investment Fund	9,526	2,271	(265)	11,532
Pension Reserve	<u>(345,226)</u>	<u>(42,588)</u>	<u>50,000</u>	<u>(337,814)</u>
	(80,490)	63,564	-	(16,926)
Restricted funds				
Over 50's Club	3,877	(348)	-	3,529
Big Potential Advanced (BPA) Fund	<u>1,585</u>	<u>(1,585)</u>	-	-
	5,462	(1,933)	-	3,529
TOTAL FUNDS	<u>(75,028)</u>	<u>61,631</u>	-	<u>(13,397)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2019

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,213,676	(5,098,287)	-	115,389
Fixed Assets	(1)	(11,507)	-	(11,508)
Fixed Asset Investment Fund	1,131	-	1,140	2,271
Pension Reserve	-	(9,740)	(32,848)	(42,588)
	<u>5,214,806</u>	<u>(5,119,534)</u>	<u>(31,708)</u>	<u>63,564</u>
Restricted funds				
Over 50's Club	-	(348)	-	(348)
Big Potential Advanced (BPA) Fund	-	(1,585)	-	(1,585)
	<u>-</u>	<u>(1,933)</u>	<u>-</u>	<u>(1,933)</u>
TOTAL FUNDS	<u>5,214,806</u>	<u>(5,121,467)</u>	<u>(31,708)</u>	<u>61,631</u>

20. EMPLOYEE BENEFIT OBLIGATIONS**Defined benefit scheme**

Following the reorganisation in 2015, 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 £25,000 (2018: £25,000). 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 2019. 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.

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Present value of funded obligations	(1,400,500)	(1,283,500)	(14,315)	(17,882)
Fair value of plan assets	<u>1,077,000</u>	<u>1,045,000</u>	-	-
	(323,500)	(238,500)	(14,315)	(17,882)
Present value of unfunded obligations	-	-	-	-
Deficit	<u>(323,500)</u>	<u>(238,500)</u>	<u>(14,315)</u>	<u>(17,882)</u>
Net liability	<u>(323,500)</u>	<u>(238,500)</u>	<u>(14,315)</u>	<u>17,882</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Current service cost	-	-	-	-
Net interest charge on net defined benefit asset/liability	36,000	35,000	242	286
Past service cost	-	-	-	-
	<u>36,000</u>	<u>35,000</u>	<u>242</u>	<u>286</u>
Actual return on plan assets	-	-	-	-

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Opening defined benefit obligation	1,283,500	1,335,500	17,882	20,726
Contributions by employer	-	-	(2,410)	(2,377)
Interest cost	36,000	35,000	242	286
Benefits paid	(58,000)	(54,000)	-	-
Remeasurements:				
Actuarial (gains)/losses from changes in demographic assumptions	(39,000)	-	-	-
Actuarial (gains)/losses from changes in financial assumptions	147,000	(33,000)	-	-
Oblig other remeasurement	31,000	-	(1,399)	(753)
	<u>1,400,500</u>	<u>1,283,500</u>	<u>14,315</u>	<u>17,882</u>

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Opening fair value of scheme assets	1,045,000	1,011,000	-	-
Interest income on plan assets	30,000	27,000	-	-
Contributions by employer	25,000	25,000	-	-
Benefits paid	(58,000)	(54,000)	-	-
Return on plan assets (excluding interest income)	35,000	36,000	-	-
	<u>1,077,000</u>	<u>1,045,000</u>	<u>-</u>	<u>-</u>

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Actuarial (gains)/losses from changes in demographic assumptions	39,000	-	-	-
Actuarial (gains)/losses from changes in financial assumptions	(147,000)	33,000	-	-
Oblig other remeasurement	(31,000)	-	1,399	753
Return on plan assets (excluding interest income)	<u>35,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
	<u>(104,000)</u>	<u>69,000</u>	<u>1,399</u>	<u>753</u>

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

	Defined benefit pension plans	
	30.9.19	30.9.18
Equities	60%	62%
Bonds	30%	27%
Property	8%	9%
Cash	<u>2%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	30.9.19	30.9.18
Discount rate	1.90%	2.90%
Future salary increases	2.50%	3.50%
Future pension increases	2.00%	2.00%

The above assumptions relate to the defined benefit pension plan. The discount rate on the retirement healthcare benefits plan is 2.53%

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in profit or loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point	
	Increase	Decrease
	£	£

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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 2019 to 31 January 2025: £11,243,000 per annum (payable monthly & increasing by 3% each on 1st April.)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional 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)

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.

Where the scheme is in deficit and where the charitable company has agreed to a deficit funding arrangement the 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 £1,198 (2018: £300) were claimed by trustees - at the year end a balance of £Nil (2018: £Nil) had not yet been reimbursed.

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 £21,298 (2018: £20,332) were charged by Cambridgeshire Deaf Association at normal market terms, and a balance of £Nil (2018: £436) remained outstanding at the year end.

22. POST BALANCE SHEET EVENTS

Action Deafness and Deaf Direct merged operations on 1 October 2019.

23. 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.

Big Potential Advanced (BPA) Fund

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

24. FINANCIAL INSTRUMENTS

Financial assets carried at amortised cost amount to £477,528 (2018: £434,046).

Financial assets measured at fair value through the SOFA amount to £11,300 (2018: £10,373), on which £607 (2018: £692) 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 £347,684 (2018: £211,906).

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