

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

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2018
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 2018

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Action Deafness

Report of the Trustees for the Year Ended 30 September 2018

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 2018. 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, YOUchoose and the Surdi Domum Group.

Action Deafness also wishes to become more adept at communicating with our key stakeholders, customers and clients to develop and 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.

OBJECTIVES AND ACTIVITIES (continued)

KEY SUPPORTING PRINCIPLES:

- Be Deaf-led
- 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.

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 2017-2018 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
- Huntingdon Deaf Care Project (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)

Service Level Agreements, Contracts and Grants 2017-2018

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 BSL interpreting and lipspeaking services within Brighton and Sussex
3. East Sussex County Council (SUSTI) framework contract for the delivery of BSL interpreting and lipspeaking with 20 other local, district and health agencies throughout Sussex
4. Surrey and Borders NHS Foundation Trust for the delivery of BSL interpreting and 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 (via sub-contracted basis)

Action Deafness

Report of the Trustees for the Year Ended 30 September 2018

OBJECTIVES AND ACTIVITIES (continued)

Service Level Agreements, Contracts and Grants 2017-2018 (continued)

9. Numerous individual contract agreements via Personal Budgets and 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. Partnership agreement with Cambridge Deaf Association to deliver registered personal care services for three years to 31st May 2019
12. YOUchoose consortium - partnership with five other local, regional and national Deaf organisations to assist with the development of Personal Assistant services since May 2016
13. Sub-contract from Deafplus UK for the provision of Befrienders Scheme in Birmingham on a rolling 12-month contract since February 2018

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.

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 Strategic Plan 2015 -2018 (approved by the Board of Trustees in March 2015)
- AD Five Year Strategy 2023 (approved by the Board of Trustees in September 2018)

This confirms the year-end position as at 31st September 2018 regarding all objectives from the departmental operating plan 2017-2018

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

Action Deafness Community:

AD Community has been restructured and following changes to the Head of Community post, and the creation of new Registered Manager and Business Community Manager posts, quickly expanded its services and grew its support hours from 11,000 hours per year to around 14,000 by the end of September 2018

AD Community appointed Acting Registered Manager Martin Anderson in October 2017 and Stuart Harrison was appointed as Interim Head of Community.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2018

ACHIEVEMENT AND PERFORMANCE (continued)

AD Community continues to work in partnership with Cambridgeshire Deaf Association to develop and deliver Huntingdon Deaf Care Project services for its six Deaf clients based in Huntingdon.

AD Community secured agreement with Deafplus to deliver Befriender Scheme in Birmingham for 12 months with a view to extending it for a further 12 months. Community supervises and supports a coordinator post to run this service based in Birmingham.

AD Community secured 'requires improvement' overall rating from the first ever Inspection Report in October 2017. An action plan was quickly developed. Senior PA Jessy Young was dispatched to Huntingdon Deaf Care Project for six months which met with positive success.

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

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)

Mhairi Simpson returned from maternity leave in September and assumed the role of Community Business Manager. The Interim Head of Community, Stuart Harrison, moved to Project Developer Consultant role at which point the Head of Community role was dissolved.

AD Community continues to work closely with 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 The Firs and 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, with their informed choice of using 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. We were successful in obtaining a contract extension beyond March 2018 for a further three years.

Quality

ISO Coordinator, Sophie Smith, worked with Interim Chief Officer (Head of Finance) Jim Robertson to successfully maintain ISO9001 and ISO27001 accreditation certificates in May 2018.

Senior Management and Finance

The CEO, Craig Crowley, undertook a secondment leave from January to July 2018 with Royal Association of Deaf People (RAD) and retained his CEO and Company Secretary role prior to and after his return throughout the financial year. Head of Finance, Jim Robertson, worked with external finance services to ensure the budget remained to a minimum and the final position of the management accounts ending September 2018 met with significant surplus position thanks partly to the recent legacy of £59,000 but more importantly the operating surplus achieved during that year.

AD Communications Interpreting

Communications Services increased its capacity during 2017-2018 successfully delivering specialist mental health interpreting services at St. Andrew's Healthcare in Northampton, increased ward bookings and obtaining further bookings with SignLive Video Relay Services.

A further three year plus one contract was successfully secured for St Andrews Healthcare in March 2018.

We successfully secured a three year plus one and one in May 2018 for 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 and lipspeakers in Brighton and Sussex.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2018

ACHIEVEMENT AND PERFORMANCE (continued)

Communications Interpreting has been influential in other potential bids due to its approved status with Health Trust Europe's (HTE) Agreement Framework which enables ADC 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 stipulations.

Following contracts obtained in Brighton, Communications Interpreting 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), three in-house BSL interpreters 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 £2,319,906 (2017: £1,937,123). Expenditure for the same period amounted to £2,240,650 (2017: £1,955,178). As a result, the surplus for the period (before other recognised gains and losses) was £79,256 (2017: deficit of £18,055)

The defined benefit scheme liability decreased to £238,500 (2017: £324,500) 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 £17,882 (2017: £20,726)

Total funds on hand at the balance sheet amount to net assets of £74,514 (2017: net liabilities of £75,028) however this includes pension deficits of £256,382 (2017: £345,226). £23,692 (2017: £5,495) can only be realised through the sale of tangible fixed assets.

Funds on hand at the Balance Sheet date comprise restricted Funds of £3,877 (2017: £5,462) and designated funds (excluding the pension liability noted above) of £34,065 (2017: £15,021) - these comprise the charity's tangible fixed assets and fixed asset investments. Free Reserves, excluding the pension liability, amount to £292,954 (2017: £249,715).

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 months' 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, its future ability to continue in operation remains a concern. The charitable company has operated at a surplus during the current year, compared to the deficits in the past several years, as a result of strict cost control.

Both pension liabilities reduced this year as noted elsewhere, however these liabilities are due to factors outside the control of the Trustees.

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

FINANCIAL REVIEW (continued)

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 are 11 pensioners (whose average age is 69) and 7 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 £327,019 (2017: £264,736) compared to £70,637 (2017: in deficit by £80,490) 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 2018-2019

- New Five-Year Strategy – the Action Deafness Board approved its strategic objectives for the next five years to 2023 with new strands for the Business Operating Plan, approved by the Board for 2018-2019
- Deaf Direct - an approach was made in October/November to explore and provide leadership and management support for the organisation with a view of a robust formal collaboration arrangement being made during 2019
- Huntingdon Deaf Care Project - an agreement was made with Cambridgeshire Deaf Association to end the formal partnership agreement to allow CDA to take over the reins after May 2019
- Communications Interpreting - consolidating current contracts and expanding to win further tender opportunities for BSL interpreting throughout the UK. CI to build on successes to date of high customer satisfaction while providing value for money and quality interpreting. More new staff will be needed to meet the growth and demands for booking service. Two more new coordinators will be appointed in October/November 2019
- AD Community - expanding successes 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
- AD Communications - consolidating and increasing 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

Summary

The information above identifies developments in line with the final year section of the AD Strategic Plan 2015-2018 and future arrangements as part of the new 2018-2023 Five Year Strategic Plan. 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. Support from contractors, commissioners and funders 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 limited by guarantee and is exempt from the use of the word "Limited" within its name.

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.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The day to day running of the 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.

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, which consists of CEO, Finance Manager, Head of Interpreting and the Community Business Manager.

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.

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, 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.

At the year end, all reserves are unrestricted, other than those relating to the Over 50's Club. As and when required, 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 2018

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	Vice Chair
Mrs A Lewis	
A Palmer	Resigned 18.09.18
Ms Karen Welch	Joint Chair
B J A Stephens	
Mrs E Allen	Joint Chair
Ms H Foulkes	
Mrs L Warnes	Appointed 11.12.18

Company Secretary
C A Crowley MBE

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

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

Chief Executive
CA Crowley, MBE

Interim Chief Officer (January – July 2018)
Mr James Robertson (Head of Finance and Administration)

Action Deafness

Report of the Trustees for the Year Ended 30 September 2018

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:

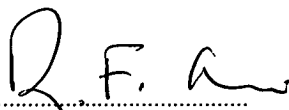
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 11th June 2019 and signed on its behalf by:


.....
R F Hilton - Trustee

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 2018 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 2018 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.

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.

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.

Report of the Independent Auditors to the Trustees of
Action Deafness

Responsibilities of trustees

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.

Use of our report

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.



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: 11th June 2019

Action Deafness

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2018

		Unrestricted funds £	Restricted funds £	30.9.18 Total funds £	30.9.17- Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	61,881	-	61,881	58,846
Charitable activities	5				
Communications		1,660,542	-	1,660,542	1,335,384
Community Support		532,567	-	532,567	459,335
Learning		5,349	-	5,349	7,005
Books, DVDs and AD Tech		33,841	-	33,841	47,730
Other trading activities	3	25,353	-	25,353	28,487
Investment income	4	<u>373</u>	<u>-</u>	<u>373</u>	<u>336</u>
Total		2,319,906	-	2,319,906	1,937,123
EXPENDITURE ON					
Charitable activities	6				
Communications		1,550,999	528	1,551,527	1,255,185
Community Support		630,236	528	630,764	583,284
Learning		5,203	-	5,203	19,544
Support for social groups		13,624	-	13,624	15,149
Other charitable projects		15,634	529	16,163	30,483
Books, DVDs and AD Tech		<u>23,369</u>	<u>-</u>	<u>23,369</u>	<u>51,533</u>
Total		2,239,065	1,585	2,240,650	1,955,178
Net gains on investments		<u>533</u>	<u>-</u>	<u>533</u>	<u>133</u>
NET INCOME/(EXPENDITURE)		81,374	(1,585)	79,789	(17,922)
Other recognised gains/(losses)					
Net actuarial gains on pension liabilities		<u>69,753</u>	<u>-</u>	<u>69,753</u>	<u>124,000</u>
Net movement in funds		151,127	(1,585)	149,542	106,078
RECONCILIATION OF FUNDS					
Total funds brought forward		(80,490)	5,462	(75,028)	(181,106)
TOTAL FUNDS CARRIED FORWARD		<u>70,637</u>	<u>3,877</u>	<u>74,514</u>	<u>(75,028)</u>

The notes form part of these financial statements

Action Deafness

Balance Sheet
At 30 September 2018

		Unrestricted funds	Restricted funds	30.9.18 Total funds	30.9.17 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	23,692	-	23,692	5,495
Investments	13	<u>10,373</u>	<u>-</u>	<u>10,373</u>	<u>9,526</u>
		34,065	-	34,065	15,021
CURRENT ASSETS					
Stocks	14	7,754	-	7,754	6,739
Debtors	15	451,554	-	451,554	417,985
Cash at bank		<u>158,584</u>	<u>3,877</u>	<u>162,461</u>	<u>113,706</u>
		617,892	3,877	621,769	538,430
CREDITORS					
Amounts falling due within one year	16	<u>(324,938)</u>	<u>-</u>	<u>(324,938)</u>	<u>(283,253)</u>
NET CURRENT ASSETS					
		<u>292,954</u>	<u>3,877</u>	<u>296,831</u>	<u>255,177</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		327,019	3,877	330,896	270,198
PENSION LIABILITY (Defined Benefit)	18	(238,500)	-	(238,500)	(324,500)
PENSION LIABILITY (Multi-Employer)	18	<u>(17,882)</u>	<u>-</u>	<u>(17,882)</u>	<u>(20,726)</u>
NET ASSETS/(LIABILITIES)					
		<u>70,637</u>	<u>3,877</u>	<u>74,514</u>	<u>(75,028)</u>
FUNDS					
Unrestricted funds	17			70,637	(80,490)
Restricted funds				<u>3,877</u>	<u>5,462</u>
TOTAL FUNDS					
				<u>74,514</u>	<u>(75,028)</u>

The notes form part of these financial statements

Action Deafness

Balance Sheet - continued
At 30 September 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2018.

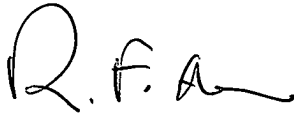
The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

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 11th June 2019 and were signed on its behalf by:



.....
R F Hilton -Trustee ✓

Action Deafness

Cash Flow Statement
for the Year Ended 30 September 2018

	Notes	30.9.18 £	30.9.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>70,827</u>	<u>(25,238)</u>
Net cash provided by (used in) operating activities		<u>70,827</u>	<u>(25,238)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(22,445)	(3,745)
Interest received		18	17
Dividends received		<u>674</u>	<u>319</u>
Net cash provided by (used in) investing activities		<u>(22,072)</u>	<u>(3,409)</u>
Change in cash and cash equivalents in the reporting period		48,755	(28,647)
Cash and cash equivalents at the beginning of the reporting period		<u>113,706</u>	<u>142,353</u>
Cash and cash equivalents at the end of the reporting period		<u>162,461</u>	<u>113,706</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.18	30.9.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	79,789	(17,922)
Adjustments for:		
Depreciation charges	4,247	1,755
Interest received	(18)	(17)
Dividends received	(355)	(319)
(Increase)/decrease in stocks	(1,015)	1,016
Increase in debtors	(33,569)	(11,662)
Increase in creditors	41,685	17,395
Difference between pension charge and cash contributions	<u>(19,937)</u>	<u>(15,484)</u>
Net cash provided by (used in) operating activities	<u>70,827</u>	<u>(25,238)</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, and on a going concern basis

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.

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
--------------------	---------------

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 charitable company 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.

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.

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

	30.9.18	30.9.17
	£	£
Gifts	2,838	286
Legacies	59,043	-
Grants	-	58,560
	<u>61,881</u>	<u>58,846</u>

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

	30.9.18	30.9.17
	£	£
Other grants	-	58,560

3. OTHER TRADING ACTIVITIES

	30.9.18	30.9.17
	£	£
Provision of support to other charities	24,071	27,196
Commission	1,282	1,291
	<u>25,353</u>	<u>28,487</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

4. INVESTMENT INCOME

	30.9.18	30.9.17
	£	£
Dividends received	355	319
Interest received	<u>18</u>	<u>17</u>
	<u>373</u>	<u>336</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.9.18	30.9.17
		£	£
Course fees	Communications	293	3,819
BSL interpreting	Communications	1,493,469	1,135,099
Deaf staff support income	Communications	166,780	174,866
Access to Work assessments	Communications	-	21,600
Community support income	Community Support	532,567	459,335
Course fees	Learning	5,349	7,005
Books, DVD & AD Tech sales	Books, DVDs and AD Tech	<u>33,841</u>	<u>47,730</u>
		<u>2,232,299</u>	<u>1,849,454</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
Communications	1,504,710	46,817	1,551,527
Community Support	442,752	188,012	630,764
Learning	5,203	-	5,203
Support for social groups	13,624	-	13,624
Other charitable projects	10,080	6,083	16,163
Books, DVDs and AD Tech	<u>23,369</u>	<u>-</u>	<u>23,369</u>
	<u>1,999,738</u>	<u>240,912</u>	<u>2,240,650</u>

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

7. SUPPORT COSTS

	Central overheads £	Finance £	IT & telephones £
Communications	15,839	18,137	4,589
Community Support	66,255	75,888	19,191
Other charitable projects	<u>1,292</u>	<u>1,480</u>	<u>374</u>
	<u>83,566</u>	<u>95,505</u>	<u>24,154</u>

	Professional fees £	Governance costs £	Totals £
Communications	5,753	2,465	46,783
Community Support	24,071	2,464	187,869
Other charitable projects	<u>470</u>	<u>2,464</u>	<u>6,080</u>
	<u>30,294</u>	<u>7,393</u>	<u>240,912</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

8. NET INCOME/(EXPENDITURE)

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

	30.9.18 £	30.9.17 £
Auditor's remuneration	5,220	4,270
Depreciation - owned assets	4,248	1,755
Other operating leases	<u>26,581</u>	<u>35,042</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2018 nor for the year ended 30 September 2017.

Trustees' expenses

During the year, travel expenses of £300 (2017: £149) were reimbursed to trustees. No other remuneration, benefits or expenses were paid to trustees during either year.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

10. STAFF COSTS

	30.9.18	30.9.17
	£	£
Wages and salaries	573,914	604,875
Social security costs	32,797	33,470
Other pension costs	<u>8,379</u>	<u>5,172</u>
	<u>615,090</u>	<u>643,517</u>

Key management personnel remuneration during the year amounted to £79,892 (2017: £152,491).
The average monthly number of employees during the year was as follows:

	30.9.18	30.9.17
Central services	3	5
Charitable activities	<u>49</u>	<u>44</u>
	<u>52</u>	<u>49</u>

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	286	58,560	58,846
Charitable activities			
Communications	1,335,384	-	1,335,384
Community Support	459,335	-	459,335
Learning	7,005	-	7,005
Books, DVDs and AD Tech	47,730	-	47,730
Other trading activities	28,487	-	28,487
Investment income	<u>336</u>	<u>-</u>	<u>336</u>
Total	1,878,563	58,560	1,937,123
EXPENDITURE ON			
Charitable activities			
Communications	1,247,835	7,350	1,255,185
Community Support	575,934	7,350	583,284
Learning	12,194	7,350	19,544
Support for social groups	13,756	1,393	15,149
Other charitable projects	19,7807	10,703	30,483
Books, DVDs and AD Tech	<u>44,183</u>	<u>7,350</u>	<u>51,533</u>
Total	1,913,682	41,496	1,955,178
Net gains/(losses) on investments	<u>133</u>	<u>-</u>	<u>133</u>
NET INCOME/(EXPENDITURE)	(34,986)	17,064	(17,922)
Transfers between funds	<u>20,225</u>	<u>(20,225)</u>	<u>-</u>
Other recognised gains/(losses)			
Net actuarial gains/(losses) on pension liabilities	124,000	-	124,000

Action Deafness

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	109,239	(3,161)	106,078
RECONCILIATION OF FUNDS			
Total funds brought forward	(189,729)	8,623	(181,106)
TOTAL FUNDS CARRIED FORWARD	<u>(80,490)</u>	<u>5,462</u>	<u>(75,028)</u>

12. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 October 2017	11,080
Additions	<u>22,445</u>
At 30 September 2018	<u>33,525</u>
DEPRECIATION	
At 1 October 2017	5,585
Charge for year	<u>4,248</u>
At 30 September 2018	<u>9,833</u>
NET BOOK VALUE	
At 30 September 2018	<u>23,692</u>
At 30 September 2017	<u>5,495</u>

13. FIXED ASSET INVESTMENTS

	Cash and settlements pending £
MARKET VALUE	
At 1 October 2017	9,526
Additions	314
Revaluations	<u>533</u>
At 30 September 2018	<u>10,373</u>
NET BOOK VALUE	
At 30 September 2018	<u>10,373</u>
At 30 September 2017	<u>9,526</u>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

14. STOCKS

	30.9.18	30.9.17
	£	£
Stocks	<u>7,754</u>	<u>6,739</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.18	30.9.17
	£	£
Trade debtors	434,046	406,766
Prepayments	<u>17,508</u>	<u>11,219</u>
	<u>451,554</u>	<u>417,985</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.18	30.9.17
	£	£
Trade creditors	191,943	161,554
Social security and other taxes	11,865	6,310
VAT	98,225	87,839
Other creditors	2,943	1,992
Accruals and deferred income	<u>19,962</u>	<u>25,558</u>
	<u>324,938</u>	<u>283,253</u>

Deferred income amounts to £Nil (2017: £3,075) 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: £Nil (2017: £3,075)

Action Deafness

Notes to the Financial Statements - continued for the Year Ended 30 September 2018

17. 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>	<u>-</u>	<u>-</u>
	5,462	(1,585)	-	3,877
TOTAL FUNDS	<u><u>(75,028)</u></u>	<u><u>149,542</u></u>	<u><u>-</u></u>	<u><u>74,514</u></u>

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	2,319,532	(2,228,908)	-	90,624
Fixed Assets		(4,248)	-	(4,248)
Fixed Asset Investment Fund	374	-	533	907
Pension Reserve	<u>-</u>	<u>(5,909)</u>	<u>69,753</u>	<u>63,844</u>
	2,319,906	(2,239,065)	70,286	151,127
Restricted funds				
Big Potential Advanced (BPA) Fund	-	(1,585)	-	(1,585)
TOTAL FUNDS	<u><u>2,319,906</u></u>	<u><u>(2,240,650)</u></u>	<u><u>70,286</u></u>	<u><u>149,542</u></u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.10.16 £	Net movement in funds £	Transfers between funds £	At 30.9.17 £
Unrestricted Funds				
General fund	282,401	(23,320)	(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
Big Potential Advanced (BPA) Fund	-	21,810	(20,225)	1,585
Church Urban Fund	<u>3,578</u>	<u>(3,578)</u>	<u>-</u>	<u>-</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>

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	1,878,245	(1,901,575)	-	(23,330)
Fixed Assets	-	(1,755)	-	(1,755)
Pension Reserve	-	(10,352)	123,807	113,455
Fixed Asset Investment Fund	<u>318</u>	<u>-</u>	<u>326</u>	<u>644</u>
	1,878,563	(1,913,682)	124,133	89,014
Restricted funds				
Big Potential Advanced (BPA) Fund	58,560	(36,750)	-	21,810
Church Urban Fund	-	(3,578)	-	(3,578)
Over 50's Club	<u>-</u>	<u>(1,168)</u>	<u>-</u>	<u>(1,168)</u>
	58,560	(41,496)	-	17,064
TOTAL FUNDS	<u>1,937,123</u>	<u>(1,955,178)</u>	<u>124,133</u>	<u>106,078</u>

Action Deafness

Notes to the Financial Statements - continued for the Year Ended 30 September 2018

17. MOVEMENT IN FUNDS - continued

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

	At 1.10.16 £	Net movement in funds £	Transfers between funds £	At 30.9.18 £
Unrestricted funds				
General fund	282,401	67,612	(56,742)	293,271
Fixed Assets	3,505	(6,003)	26,191	23,693
Fixed Asset Investment Fund	8,882	1,233	(60)	10,055
Pension Reserve	(484,517)	177,299	50,836	(256,382)
Restricted funds				
Over 50's Club	5,045	(1,168)	-	3,877
Big Potential Advanced (BPA) Fund	-	20,225	(20,225)	-
Church Urban Fund	3,578	(3,578)	-	-
	<u>8,623</u>	<u>15,479</u>	<u>(20,225)</u>	<u>3,877</u>
TOTAL FUNDS	<u>(181,106)</u>	<u>255,620</u>	<u>-</u>	<u>74,514</u>

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	4,198,096	(4,130,484)	-	67,612
Fixed Assets	-	(6,003)	-	(6,003)
Fixed Asset Investment Fund	693	-	540	1,233
Pension Reserve	-	(16,261)	193,560	177,299
	<u>4,198,789</u>	<u>(4,152,748)</u>	<u>194,100</u>	<u>240,141</u>
Restricted funds				
Big Potential Advanced (BPA) Fund	58,560	(38,335)	-	20,225
Over 50's Club	-	(1,168)	-	(1,168)
Church Urban Fund	-	(3,578)	-	(3,578)
	<u>58,560</u>	<u>(43,081)</u>	<u>-</u>	<u>15,479</u>
TOTAL FUNDS	<u>4,257,349</u>	<u>(4,195,829)</u>	<u>194,100</u>	<u>255,620</u>

18. 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 (2017: £23,500). There were no unpaid pension contributions due at the current year end.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

18. EMPLOYEE BENEFIT OBLIGATIONS
- continued

The latest actuarial valuation of the Scheme was prepared as at 30th September 2018. 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		Multi-employer pension plans	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Present value of funded obligations	(1,283,500)	(1,335,000)	(17,882)	(20,726)
Fair value of plan assets	<u>1,045,000</u>	<u>1,010,500</u>	<u>-</u>	<u>-</u>
	<u>(238,500)</u>	<u>(324,500)</u>	<u>(17,882)</u>	<u>(20,726)</u>
Deficit	<u>(238,500)</u>	<u>(324,500)</u>	<u>(17,882)</u>	<u>(20,726)</u>
Liability	<u>(238,500)</u>	<u>(324,500)</u>	<u>(17,882)</u>	<u>(20,726)</u>

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

	Defined benefit pension plans		Multi-employer pension plans	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Net interest charge on net defined benefit asset/liability	<u>35,000</u>	<u>31,000</u>	<u>286</u>	<u>352</u>
	<u>35,000</u>	<u>31,000</u>	<u>286</u>	<u>352</u>

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

	Defined benefit pension plans		Multi-employer pension plans	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Defined benefit obligation	1,335,500	1,395,000	20,726	22,517
Contributions by employer	-	-	(2,377)	(2,336)
Interest cost	35,000	31,000	286	352
Benefits paid	(54,000)	(53,000)	-	-
Remeasurements:				
Actuarial (gains)/losses from changes in demographic assumptions	-	(22,000)	-	-
Actuarial (gains)/losses from changes in financial assumptions	(33,000)	(71,000)	-	-
Obligation: other remeasurement	<u>-</u>	<u>55,000</u>	<u>(753)</u>	<u>193</u>
	<u>1,283,500</u>	<u>1,335,000</u>	<u>17,882</u>	<u>20,726</u>

Action Deafness

Notes to the Financial Statements - continued for the Year Ended 30 September 2018

18. EMPLOYEE BENEFIT OBLIGATIONS **- continued**

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

	Defined benefit pension plans	
	30.9.18	30.9.17
	£	£
Fair value of scheme assets	1,011,000	933,000
Interest income on plan assets	27,000	21,000
Contributions by employer	25,000	23,500
Benefits paid	(54,000)	(53,000)
Return on plan assets (excluding interest income)	36,000	86,000
	<u>1,045,000</u>	<u>1,010,500</u>

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

	Defined benefit pension plans		Multi-employer pension plans	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	22,000	-	-
Actuarial (gains)/losses from changes in financial assumptions	33,000	71,000	-	-
Obligation other remeasurement	-	(55,000)	753	(193)
Return on plan assets (excluding interest income)	36,000	86,000	-	-
	<u>69,000</u>	<u>124,000</u>	<u>753</u>	<u>(193)</u>

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

	Defined benefit pension plans	
	30.9.18	30.9.17
Equities	62%	67%
Bonds	27%	20%
Property	9%	8%
Cash	2%	5%

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

	30.9.18	30.9.17
Discount rate	2.9%	2.7%
Future salary increases	3.5%	3.4%
Future pension increases	2%	2%

The above assumptions relate to the defined benefit pension plan. The discount rate on the retirement healthcare benefits plan is 1.76%

18. EMPLOYEE BENEFIT OBLIGATIONS
- continued

MULTI-EMPLOYER DEFINED CONTRIBUTION SCHEME

The multi-employer 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.

19. RELATED PARTY DISCLOSURES

During the year, expenses of £300 (2017: £149) were claimed by trustees - at the year end a balance of £Nil (2017: £51) 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 £20,332 (2017: £12,206) were charged by Cambridgeshire Deaf Association at normal market terms, and a balance of £436 (2017: £243) remained outstanding at the year end.

20. 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.

21. FINANCIAL INSTRUMENTS

Financial assets carried at amortised cost amount to £434,046 (2017: £406,766).

Financial assets measured at fair value through the SOFA amount to £10,373 (2017: £9,526), on which £533 (2017: £326) 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 £211,906 (2017: £184,037).

22. OPERATING LEASE COMMITMENTS

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

	30.9.18	30.9.17
	£	£
Within one year	-	5,000
Between one and five years	<u>23,076</u>	<u>36,501</u>
	<u>23,076</u>	<u>41,501</u>