

REGISTERED COMPANY NUMBER: 04243198 (England and Wales)
REGISTERED CHARITY NUMBER: 1089918

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020
FOR
DEAFWAY

TLL Accountants
7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

DEAFWAY

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FOR THE YEAR ENDED 31ST MARCH 2020

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DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2020

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 31st March 2020. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities

Deafway is established for:

'...the relief of people who are D/deaf* or who suffer from communication disorders. Firstly for those resident in Lancashire and secondly those resident in the rest of the United Kingdom and elsewhere, in particular by assisting and supporting their equal access to and participation in all aspects of society'.

Put another way, Deafway exists to do all that we can to ensure that D/deaf people get the same opportunities in all aspects of life that hearing people do. Our base is, and always has been, in Preston, Lancashire. However our work has a national and international focus and reach. Deafway is therefore a local, national and international charity.

Deafway has a commitment to ensure that at the core of all of our work is an understanding of and respect for Deaf culture and heritage, BSL (British Sign Language) and the other sign languages of the world. This expresses our belief in the vital importance of sign language and Deaf culture to Deaf people across the world; that Deaf Arts should be made accessible to hearing people; that Deaf Heritage should be preserved, shared and celebrated and that all of these should inform our provision of Care to those Deaf people who are in need of it.

There continues to be a very real need for all of the work which we undertake, locally, nationally and internationally. It is unfortunately still the case that the needs of the maturity of D/deaf people across the world and of many D/deaf people in the UK are ignored or misunderstood with disastrous consequences for those D/deaf people. The Deaf person in the UK who needs a specialist Deaf residential placement because of their Autistic Spectrum Disorder, mental health problem or other issue - placed inappropriately in a hearing setting with no Deaf peer group and with staff who have at best a smattering of sign language; the child born profoundly deaf in Nepal, Uganda or Kenya, never being given the chance to acquire sign language or go to school.

Given the necessary financial resources - we could do so much more both by promoting and campaigning for real understanding of the relevant issues and by providing real life-changing services to so many more people - from Preston to Kathmandu.

In Nepal, Uganda and Kenya for example our aim remains that:- 'Every Deaf Child will Learn to Sign and Go to School.'

In the UK, one of our aims is that:- 'Every Deaf person in need of Residential Care or Support will have the real choice of receiving this in a Deaf environment.'

If you are in a position to help us to do more - please do get in touch.

DEAFWAY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

Objectives and activities (continued)

Philosophy:

At the centre of everything we do is a positive view of sign language, Deaf Culture and the Deaf community.

We believe passionately that every D/deaf child, wherever they live in the world, should have a right of access to sign language (as well as access to the written and spoken languages of their country and to the hearing community) - and we know that an untold amount of damage has been, and continues to be, caused to the lives of D/deaf people around the world by Governments and 'professionals' not understanding and accepting this.

This damage ranges from social isolation, lack of equal access and needing-to-be-improved service provision (which ignores cultural and linguistic needs) in the UK - to often non-existent provision in Nepal, Uganda, Kenya and many other parts of the developing world resulting in D/deaf children being denied that most important defining characteristic of being human - possession and fluent use of a language (in this case a signed language).

At Deafway we do not believe that these situations are acceptable.

We also believe strongly that Deaf culture and the sign languages of the world have so much that is positive to contribute to society in general - and that they should therefore be celebrated and shared in all of the ways that the hearing cultures and the spoken languages of the world are.

***We have followed the convention of using an uppercase 'D' in the word in the Deaf to indicate 'Culturally Deaf' and a lower case 'd' to simply indicate hearing loss.**

Public benefit

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our objectives and activities and in planning our future activities. In particular the trustees consider how planned activities, through the use of our funds, will contribute to the aims and objectives we have set, and we are satisfied that the criteria for public benefit are comprehensively achieved.

DEAFWAY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

STRATEGIC REPORT

Achievement and performance

Achievements during the year

The activities that we have carried out during the year to meet our objectives and to carry out our aims for public benefit.

During the year we have :-

Care and Support Services

- Continued to provide long term specialist residential care, shorter term respite care and other vital support services to Deaf people with a range of complex needs which mean that they cannot currently live independently in the community.
- Provided residential care for a number of Deaf people who require a significantly higher level of staffing due to their more complex and 'challenging' needs.
- Continued to maintain the accommodation we provide for our residents to the high standards they deserve and to improve and refurbish this on an ongoing basis.
- Continued to provide our residents with a range of amazing experiences through our 'Dream Activities' programme which is funded entirely by donations from individuals, organisations, and grant-making trusts and foundations.
- Continued to assert our very clear belief that to place a Deaf person who uses BSL (British Sign Language) and who needs residential care, in a 'hearing' establishment is abusive.
- Provided Domiciliary Services to members of the Deaf community within Preston and Lancaster.

Cultural Services and Facilities

- Continued to provide premises for Deaf people to meet in Preston.
- Continued to provide premises for Deaf people to meet in Lancaster.
- Moved forward to achieve the outcomes detailed in our Equal Rights Equal Lives project, to improve external service provision to achieve equal access and opportunity for Deaf people.
- Commenced involvement in Deaf sports, especially with younger Deaf people, with the aim of furthering our support within this field.

Sign Language and Deaf Awareness Training

- Maintained our policy that all Deafway staff unless they are already fluent in BSL, will undertake an in-house BSL course as part of their paid induction training as they start work at Deafway; taking a nationally recognised BSL Level 1 course after 3 months of employment followed by a nationally recognised BSL Level 2 course in work time around six months later.
- Provided refresher training for existing staff and trustees, and full training for new staff and trustees, in respect of Deaf Awareness.
- Continued to provide BSL (British Sign Language) and Deaf Awareness training to hearing individuals and organisations in Lancashire.

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2020

STRATEGIC REPORT

Achievement and performance

Achievements during the year (continued)

Overseas Projects

- Continued our long-running support for the Shree Navajyoti primary school for Deaf children in Sindhuli, Nepal.
- Continued to support opportunities (teacher's salary) with the Shree Jane Jyoti Namuna school in Nawalparasi, Nepal.
- Continued to provide vital support to St. Anthony's School for Deaf children in Nkozi Uganda, including provision of education in sign language.
- Continued to provide support and education for deaf children, in sign language, with opportunities for parents to learn sign language, in Yala, Kenya.

Arts and Heritage Projects and Activities

- Moved forward with our Representations of BSL Arts project with the Harris Museum, commencing this work in Summer 2019.

General

- Investigated opportunities for future partnership working with other local or Deaf charities.
- Continue to review and re-structure residential services, fundraising and business development to improve future sustainability of the charity.

Financial review

Performance

The statement of financial activities for the year is set out on page 12. The charity has net outgoings this year of £152,850 (2019: net incoming resources of £211,804). There is a small surplus on general funds and the deficit relates to restricted and designated fund spend from previous year's income which was planned. The realised movement between the funds is summarised below:

	General funds £	Designated funds £	Restricted funds £	Total funds £
Total income	2,323,883	4,096	51,924	2,379,903
Total expenditure	(2,237,882)	(94,272)	(114,367)	(2,446,521)
Gains/(losses) on investments	(166)	-	(86,066)	(86,232)
Gain/(losses) on revaluations	-	-	-	-
Transfers	(84,760)	74,143	10,617	-
Net income/(expenditure)	1,075	(16,033)	(137,892)	(152,850)

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

STRATEGIC REPORT (continued)

Fixed assets

The fixed assets are all used for direct charitable purposes. The movements in fixed assets during the year are shown in note 9 to the accounts.

A professional valuation of the property at Brockholes Brow, Preston, was undertaken in June 2017 by Garside Waddingham, Chartered Surveyors. The valuation for reinstatement purposes and insured value is £3,500,000. The property is shown in the accounts at its open market valuation of £625,000 valued by Garside Waddingham, Chartered Surveyors, also in July 2017.

Investment performance

At 31 March 2020, investments held had a market value of £400,527. Details are shown in note 14 to the accounts. £86,442 of the investments represents the Richard Bannister Trust, which is a fund invested to support activities for young deaf persons in relation to sports. A new investment was taken out during the year. As at 31 March 2020, the market value of this investment stood at £236,634.

Investment policy and objectives

Under the Trustees Act 2000, the trustees have the same full and unrestricted powers of investing and transposing investments as if they were beneficially entitled thereto. Current investments held are invested through Charities Official Investment Fund and a Stock Exchange investment portfolio managed by Hedley & Co for the Richard Bannister Trust and Deafway.

Reserves policy

The trustees review the charity's requirements for reserves annually, in the light of the major risks facing the charity.

The trustees consider that in order to ensure the continuous provision of the charity's services, they require to maintain a contingency reserve equivalent to three months running costs.

At the year end this reserve stood at £484,817 which represents 2.5 months budgeted expenditure.

Employment policy

The Charity's policy is to promote equality of opportunity to all in employment and the selection process irrespective of their gender, race, ethnic origin, disability, age, nationality, sexuality, marital status and social class. We oppose all forms of unlawful and unfair discrimination.

All employees and volunteers will be treated fairly and equally. Selection for employment, promotion, training and any other benefits will be on the basis of aptitude and ability. All employees will be helped and encouraged to further develop their full potential through comprehensive training, support, formal supervision and appraisal. The talents and the resources of the workforce will be fully utilised to maximise the efficiency of the Organisation.

DEAFWAY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

STRATEGIC REPORT

Fundraising

Less than 5% of Deafway's income is currently generated by fundraising. This is mostly relating to amounts received from other organisations by way of grants. There have been no complaints received regarding our fundraising activities. Deafway does not engage the services of fundraising consultants.

Deafway is a Certificated Member of the Institute of Fundraising and is registered with the Fundraising Regulator - as such we are bound by, and adhere to, their relevant codes of Code of Practice.

Measuring performance

Deafway measure key performance indicators (KPIs) to help assess the impact the Charitable Company makes and its effectiveness. The following KPIs are captured as part of our day-to-day regularity requirements and recording processes:

Further KPIs are being recorded in the current financial year.

Key Performance Indicator	2020	2019
Average number of residents supported in the year	30	29
Amounts paid in support of overseas projects	55,872	68,556
Average number of employed people (head-count)	82	72
Outcome of CQC regulatory inspections	Not re-inspected	Not re-inspected
Students attending Deaf Awareness courses/sessions	115	97
Number of complaints received	0	0

Future plans

At the time of writing this, in addition to the above, we have/are also:-

- Moved into our 3rd year of a planned maintenance program for on-site buildings to ensure we retain high standards of service provision.
- Continuing with the refurbishment program for the majority of bathrooms in residential houses.
- Reviewing our 'branding' to support provision of a consistent image sent out via marketing, social media etc.
- Working to develop a DAT (Deaf Awareness Training) E Learning course in addition to face to face tutoring.
- Continuing to take forward further support opportunities, working with the Deaf community in Yala, Kenya.
- Achieved 50% of the funding required to start further Nepali Sign Language provision in a remote village near Pokhara, Nepal.
- Continued and commenced new discussions with other charities in order to initiate and expand on Partnership Working/Service Provision.
- Continued our programme of attracting volunteers to support the work of the organisation.
- Funding for overseas projects will become more difficult during the coming year and subsequent years due to the current climate.
- We will continue our programme of attracting volunteers to support the work of the organisation once we are able to accept volunteers on site.
- Working to improve technology within the organisation over the coming year i.e. installing Broadband, computerised HR System and Care Plan System.
- Covid-19 Pandemic and lockdowns will adversely affect and delay the future improvement and progress of the Organisation.

DEAFWAY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Organisational structure

The Trustees who have served during the year are set out on page 8 and they have been appointed in accordance with our Memorandum and Articles of Association.

Trustees nominate and have power of appointment of future Trustees, who serve for a period of three years following appointment and may be re-appointed at the end of the term of office.

We believe that our Board of Trustees should be made up of a variety of people who bring a range of different visions, knowledge, experience and skills to the role. We are proud of the fact that a significant number of our Trustees are either themselves Deaf or have strong personal connections to the D/deaf community. We believe and state that all of our Trustees must understand and share Deafway's values, have the skills to contribute to Deafway in the role of Trustee and must also take an interest in our full range of work.

Management accounts and monthly reports from each department/service leader, and from the Chief Executive, are submitted to and discussed at our monthly Trustee meetings.

The day to day running of Deafway is entrusted to the Chief Executive and the leadership team. This team meets formally each month and informally each week.

The smaller strategic leadership team meets as and when necessary to discuss specific strategic issues.

The Chief Executive line manages the Care and Support Services manager, the Fundraising & Development manager, the Finance manager, the HR manager, the Maintenance manager and the Catering manager holding regular one-to-one supervision sessions with them. There are similar supervision arrangements in place within each service for all other managers and staff.

In addition, the Chair of Trustees holds off-site review sessions with the CEO on 2 or 3 occasions per year.

Risk management

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

The trustees retain Peninsula Business Services Limited to provide 24 hour advice in respect of all employment law and health and safety matters. In addition, this contract provides indemnity in respect of Employment Law claims.

Financial sustainability is a major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the charity.

Attention has also been focussed on non-financial risks arising from fire, health and safety of residents, management of staff and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness and compliance training for staff working in these operational areas.

DEAFWAY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04243198 (England and Wales)

Registered Charity number
1089918

Registered office
Brockholes Brow
Preston
PR1 5BB

Trustees
Robert Eastwood
Elaine Ridley - Chair Of Trustees
Claire Mingay
Hadyn Gigg – Vice-Chair Of Trustees
Brian Donnelly
John Ward
Victoria Wall

Auditors
TLL Accountants
7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

Bankers
National Westminster Bank plc
35 Fishergate
Preston
PR1 5BB

KEY MANAGEMENT PERSONNEL

The Trustees delegate responsibility for the day-to-day management of the charity to the following senior employees:

Mike Greer - Chief Executive Officer until the end of March 2020
Maureen Donnelly - Finance Manager
Carol Cuming - Human Resources Manager/ Chief Executive Officer from April 2020
Ryan Lewis - Residential Care Manager

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Deafway 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

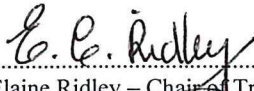
In so far as the trustees are aware:

- 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, TLL Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~16th November 2020~~ and signed on the board's behalf by:


.....
Elaine Ridley – Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DEAFWAY

Opinion

We have audited the financial statements of Deafway (the 'charitable company') for the year ended 31st March 2020 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 31st March 2020 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 consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DEAFWAY

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.

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.

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.



P Buck FCA, DChA (Senior Statutory Auditor)
for and on behalf of TLL Accountants
7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

Date: 16.11.2020

DEAFWAY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	General fund £	Designated fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	4,818	3,752	47,243	55,813	111,744
Charitable activities	5					
Services to D/deaf people		2,317,945	-	-	2,317,945	2,247,936
Other trading activities	3	176	-	-	176	582
Investment income	4	944	344	4,681	5,969	5,287
Total		2,323,883	4,096	51,924	2,379,903	2,365,549
EXPENDITURE ON						
Raising funds	6	59,953	-	3,400	63,353	37,592
Charitable activities	7					
Services to D/deaf people		2,177,929	94,272	110,967	2,383,168	2,128,140
Total		2,237,882	94,272	114,367	2,446,521	2,165,732
Net gains/(losses) on investments		(166)	-	(86,066)	(86,232)	11,987
NET INCOME/(EXPENDITURE)		85,835	(90,176)	(148,509)	(152,850)	211,804
Transfers between funds	19	(84,760)	74,143	10,617	-	-
Net movement in funds		1,075	(16,033)	(137,892)	(152,850)	211,804
RECONCILIATION OF FUNDS						
Total funds brought forward		251,700	1,635,495	348,954	2,236,149	2,024,345
TOTAL FUNDS CARRIED FORWARD		252,775	1,619,462	211,062	2,083,299	2,236,149

The notes form part of these financial statements

DEAFWAY

BALANCE SHEET
31ST MARCH 2020

	Notes	General fund £	Designated fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Tangible assets	13	135,410	725,000	3,168	863,578	869,638
Investments	14	<u>17,947</u>	<u>-</u>	<u>382,580</u>	<u>400,527</u>	<u>186,258</u>
		153,357	725,000	385,748	1,264,105	1,055,896
CURRENT ASSETS						
Stocks	15	2,150	-	-	2,150	2,779
Debtors	16	48,608	-	-	48,608	49,329
Cash at bank		<u>212,086</u>	<u>894,462</u>	<u>-</u>	<u>1,106,548</u>	<u>1,405,274</u>
		262,844	894,462	-	1,157,306	1,457,382
CREDITORS						
Amounts falling due within one year	17	(163,426)	-	(174,686)	(338,112)	(277,129)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>99,418</u>	<u>894,462</u>	<u>(174,686)</u>	<u>819,194</u>	<u>1,180,253</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>252,775</u>	<u>1,619,462</u>	<u>211,062</u>	<u>2,083,299</u>	<u>2,236,149</u>
NET ASSETS		<u>252,775</u>	<u>1,619,462</u>	<u>211,062</u>	<u>2,083,299</u>	<u>2,236,149</u>
FUNDS						
19						
Unrestricted funds:						
General fund					252,775	251,700
Designated fund – Property					725,000	725,000
Designated fund – Others					<u>894,462</u>	<u>910,495</u>
					1,872,237	1,887,195
Restricted funds:						
Restricted fund					<u>211,062</u>	<u>348,954</u>
TOTAL FUNDS					<u>2,083,299</u>	<u>2,236,149</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16th November 2020 and were signed on its behalf by:


Elaine Ridley – Chair of Trustees


Hadyn Gigg – Vice Chair of Trustees

The notes form part of these financial statements

DEAFWAY

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>7,280</u>	<u>291,090</u>
Net cash (used in)/provided by operating activities		<u>7,280</u>	<u>291,090</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,794)	-
Purchase of fixed asset investments		(300,500)	(500)
Interest received		<u>1,288</u>	<u>941</u>
Net cash (used in)/provided by investing activities		<u>(306,006)</u>	<u>441</u>
Change in cash and cash equivalents in the reporting period		(298,726)	291,531
Cash and cash equivalents at the beginning of the reporting period		<u>1,405,274</u>	<u>1,113,743</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,106,548</u></u>	<u><u>1,405,274</u></u>

The notes form part of these financial statements

DEAFWAY

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

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

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(152,850)	211,804
Adjustments for:		
Losses/(gain) on investments	86,231	(11,987)
Interest received	(1,288)	(941)
Depreciation charges	12,854	12,081
Decrease/(increase) in stocks	629	(866)
Decrease/(increase) in debtors	721	284,941
(Decrease)/increase in creditors	<u>60,983</u>	<u>(203,942)</u>
Net cash (used in)/provided by operations	<u>7,280</u>	<u>291,090</u>

2. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank	<u>1,405,274</u>	<u>(298,726)</u>	<u>1,106,548</u>
	<u>1,405,274</u>	<u>(298,726)</u>	<u>1,106,548</u>
Total	<u><u>1,405,274</u></u>	<u><u>(298,726)</u></u>	<u><u>1,106,548</u></u>

The notes to the cash flow statement form part of the financial statements for the year ended 31 March 2020

The notes form part of these financial statements

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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 2019)', 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.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity 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.

Where appropriate, irrecoverable VAT is shown in the SOFA.

Governance costs include legal and professional expenses, salary costs in respect of governance activities and expenses relating to Trustees.

Tangible fixed assets

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

Freehold property - Brockholes Brow - not provided
Long leasehold - Lancaster - not provided
Equipment and fittings - 20% on cost and 6.66% on cost
Motor vehicles - 20% on cost

All expenditure during the year on assets of material value held for use on a continuing basis in the charity's activities are capitalised and classified as fixed assets.

Depreciation has not been provided for on properties as it is the charity's policy to record properties at open market value. Properties are reviewed annually for any indication of impairment and it is the charity's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time and, accordingly, the directors consider that the lives of these assets are so long, and residual values so high, that their depreciation is insignificant.

Stocks

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

Taxation

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

Fund accounting

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

Designated funds are unrestricted balances earmarked by the Trustees for certain projects as part of the overall fund management approach.

The notes form part of these financial statements

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. 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.

Investments

Investments held as fixed assets are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Investment income is shown gross.

Revaluation gains and losses

Where properties are revalued in the year, the gain is included within the property fund.

Pensions

The charity operates the Deafway Workplace Pension Scheme, an Auto-Enrolment scheme, the assets of which are held separately from those of the charity in Aviva plc. The costs of providing pension and related benefits is charged to the SOFA.

Company status

The Charity is a company limited by guarantee. The members of the Company are the trustees named at the front of the financial statements. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Support costs

Since over 90% of the Charity's activity relates to the one main activity of service provision, and fundraising / governance are minimal in comparison, it is not necessary to attempt to sub-analyse support type costs between these three headings. Some administrative costs are already shown within governance and fundraising, however, as per the notes to the accounts. The central overheads at Brockholes Brow have been allocated to divisions as part of the management accounting process.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Sundry donations and GAYE	55,478	111,408
Face to face	<u>335</u>	<u>336</u>
	<u>55,813</u>	<u>111,744</u>

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

3. OTHER TRADING ACTIVITIES		2020	2019
		£	£
Use of facilities		<u>176</u>	<u>582</u>
4. INVESTMENT INCOME		2020	2019
		£	£
Sports legacy investment dividends		4,681	4,346
Interest		<u>1,288</u>	<u>941</u>
		<u>5,969</u>	<u>5,287</u>
5. INCOME FROM CHARITABLE ACTIVITIES		2020	2019
	Activity	£	£
Fees and charges	Services to D/deaf people	2,315,064	2,245,999
Social club income	Services to D/deaf people	2,620	1,937
Outreach services	Services to D/deaf people	<u>261</u>	<u>-</u>
		<u>2,317,945</u>	<u>2,247,936</u>
6. RAISING FUNDS			
Raising donations and legacies		2020	2019
		£	£
Employment costs - fundraising		54,384	25,016
Administration expenses - fundraising		<u>5,569</u>	<u>2,484</u>
		<u>59,953</u>	<u>27,500</u>
Other trading activities		2020	2019
		£	£
Employment costs - facilities		<u>3,400</u>	<u>10,092</u>
Aggregate amounts		<u>63,353</u>	<u>37,592</u>

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Services to D/deaf people	<u>2,325,335</u>	<u>57,833</u>	<u>2,383,168</u>

8. SUPPORT COSTS

	Governance costs £
Services to D/deaf people	<u>57,833</u>

Support costs, included in the above, are as follows:

Governance costs	2020 Services to D/deaf people £	2019 Total activities £
Employment costs - governance	32,405	31,895
Management and administration costs - governance	16,216	11,081
Investment fees	812	906
Audit and accountancy fees	<u>8,400</u>	<u>8,040</u>
	<u>57,833</u>	<u>51,922</u>

9. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Depreciation - owned assets	<u>12,854</u>	<u>12,081</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2020 nor for the year ended 31st March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

The cost of insurance to indemnify the trustees against the consequences of any neglect or default on their part amounted to £2,178 (2019: £1,980).

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

11. STAFF COSTS

Staff costs during the year comprised the following:

	31.03.20	31.03.19
	£	£
Gross (including agency staff)	1,562,180	1,386,150
Employer's National Insurance	105,696	87,306
Pension	48,712	37,798
	<u>1,716,588</u>	<u>1,511,254</u>

One member of staff (2019: Nil) received gross emoluments in excess of 60,000 during the year. The total emoluments of this employee fell within the salary bracket of £80,000 - £90,000 per annum. This was as a result of this member of staff resigning and receiving payment for outstanding holiday and entitlements.

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

	31.03.20	31.03.19
Management and Administration	17	12
Caring Staff	55	51
Others	<u>10</u>	<u>9</u>
	<u>82</u>	<u>72</u>

The key management personnel of the charity comprise the Chief Executive, Finance manager, HR manager and Residential Care manager. The total remuneration of the key management personnel of the charity (including Employer's National Insurance and Pension contributions) was £219,951 (2019 : £200,221).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	General fund £	Designated fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	648	37,683	73,413	111,744
Charitable activities				
Services to D/deaf people	2,247,936	-	-	2,247,936
Other trading activities	582	-	-	582
Investment income	<u>744</u>	<u>197</u>	<u>4,346</u>	<u>5,287</u>
Total	2,249,910	37,880	77,759	2,365,549
EXPENDITURE ON				
Raising funds	27,500	-	10,092	37,592
Charitable activities				
Services to D/deaf people	1,955,756	81,466	90,918	2,128,140
Total	1,983,256	81,466	101,010	2,165,732
Net gains on investments	<u>7,765</u>	<u>-</u>	<u>4,222</u>	<u>11,987</u>
NET INCOME/(EXPENDITURE)	274,419	(43,586)	(19,029)	211,804

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued				
	General fund £	Designated fund £	Restricted fund £	Total funds £
Transfers between funds	(265,850)	257,206	8,644	-
Net movement in funds	8,569	213,620	(10,385)	211,804
RECONCILIATION OF FUNDS				
Total funds brought forward	243,131	1,421,875	359,339	2,024,345
TOTAL FUNDS CARRIED FORWARD	<u>251,700</u>	<u>1,635,495</u>	<u>348,954</u>	<u>2,236,149</u>
13. TANGIBLE FIXED ASSETS				
		Freehold property £	Long leasehold £	Improvements to property £
COST				
At 1st April 2019		625,000	100,000	76,766
Additions		-	-	-
At 31st March 2020		<u>625,000</u>	<u>100,000</u>	<u>76,766</u>
DEPRECIATION				
At 1st April 2019		-	-	-
Charge for year		-	-	-
At 31st March 2020		-	-	-
NET BOOK VALUE				
At 31st March 2020		<u>625,000</u>	<u>100,000</u>	<u>76,766</u>
At 31st March 2019		<u>625,000</u>	<u>100,000</u>	<u>76,766</u>
		Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st April 2019		37,161	180,645	1,019,572
Additions		-	6,794	6,794
At 31st March 2020		<u>37,161</u>	<u>187,439</u>	<u>1,026,366</u>
DEPRECIATION				
At 1st April 2019		31,131	118,803	149,934
Charge for year		<u>1,876</u>	<u>10,978</u>	<u>12,854</u>
At 31st March 2020		<u>33,007</u>	<u>129,781</u>	<u>162,788</u>
NET BOOK VALUE				
At 31st March 2020		<u>4,154</u>	<u>57,658</u>	<u>863,578</u>
At 31st March 2019		<u>6,030</u>	<u>61,842</u>	<u>869,638</u>

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

13. TANGIBLE FIXED ASSETS - continued

The freehold property known as Brockholes Brow was revalued in July 2017 by Garside Waddingham, Chartered Surveyors, at £625,000. This valuation was an open market valuation with the benefit of vacant possession. The Trustees are not aware of any change in the valuation as at the balance sheet date.

The property at Lancaster houses the Lancaster Social Club. The property is held under a long lease dated January 2005 for a term of 999 years. The Lancaster property has been valued by the Trustees, the Trustees are comfortable that the valuation is materially accurate at the balance sheet date.

The properties are all used for direct charitable purposes, or for purposes incidental to the proper working, and effective carrying on of the charity's objects and activities.

14. FIXED ASSET INVESTMENTS

UK Listed Investments

	Market value 2020 £	Cost 2020 £	Market value 2019 £	Cost 2019 £
General Fund				
COIF 52.18 income units	775	230	801	230
HBOS Ordinary £1 shares	62	2,283	121	2,283
COIF 93.72 accumulation shares	17,137	11,000	16,691	10,500
Restricted Fund				
COIF 356.97 accumulation shares	59,477	5,250	59,504	5,250
Richard Bannister Trust portfolio	86,442	81,862	109,141	81,862
V82 AOYL - Fixed Income Holding	33,730	39,992	-	-
V82 AOYL - Equities and Other	202,904	260,008	-	-
	<u>400,527</u>	<u>400,625</u>	<u>186,258</u>	<u>100,125</u>

	Market Value 2019 £	Additions/ (Disposals) £	Gain/(Loss) £	Market Value 2020 £
General Fund				
COIF 52.18 income units	801	-	(25)	775
HBOS Ordinary £1 shares	121	-	(59)	62
COIF 93.72 accumulation shares	16,691	500	(54)	17,137
Restricted Fund				
COIF 356.97 accumulation shares	59,504	-	(27)	59,477
Richard Bannister Trust portfolio	104,919	-	(22,699)	86,442
V82 AOYL - Fixed Income Holding	-	39,992	(6,262)	33,730
V82 AOYL - Equities and Other	-	260,008	(57,104)	202,904
	<u>186,258</u>	<u>300,500</u>	<u>(86,231)</u>	<u>400,527</u>

There were no investment assets outside the UK.

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

15. STOCKS

	2020	2019
	£	£
Stocks	<u>2,150</u>	<u>2,779</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	16,035	15,329
Prepayments and accrued income	<u>32,573</u>	<u>34,000</u>
	<u>48,608</u>	<u>49,329</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	70,084	68,884
Social security and other taxes	29,718	22,972
Other creditors	98,325	44,273
Accrued expenses	<u>139,985</u>	<u>141,000</u>
	<u>338,112</u>	<u>277,129</u>

18. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	3,224	3,032
Between one and five years	<u>1,194</u>	<u>3,478</u>
	<u>4,418</u>	<u>6,510</u>

19. MOVEMENT IN FUNDS

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	251,700	85,835	(84,760)	252,775
Designated fund	<u>1,635,495</u>	<u>(90,176)</u>	<u>74,143</u>	<u>1,619,462</u>
	1,887,195	(4,341)	(10,617)	1,872,237
Restricted funds				
Restricted fund	348,954	(148,509)	10,617	211,062
	<u>2,236,149</u>	<u>(152,850)</u>	<u>-</u>	<u>2,083,299</u>
TOTAL FUNDS	<u>2,236,149</u>	<u>(152,850)</u>	<u>-</u>	<u>2,083,299</u>

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

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	2,323,883	(2,237,882)	(166)	85,835
Designated fund	<u>4,096</u>	<u>(94,272)</u>	<u>-</u>	<u>(90,176)</u>
	2,327,979	(2,332,154)	(166)	(4,341)
Restricted funds				
Restricted fund	51,924	(114,367)	(86,066)	(148,509)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>2,379,903</u>	<u>(2,446,521)</u>	<u>(86,232)</u>	<u>(152,850)</u>

Designated Funds

These funds have been set up to assist in identifying those funds that are not free funds and comprise the following:

Property Fund

This fund represents the charity's interest in the Property known as Brockholes Brow as included in Tangible Fixed Assets and also a lease on a property in Lancaster. The balance on this fund at the year end was £725,000 (2019: £725,000).

Contingency Reserve

This fund represents the charity's commitment to build up an operating reserve fund equivalent to three months running costs in order to effectively manage/take advantage of any unforeseen circumstances that may arise in the future, without adversely affecting its service provision. The balance on this fund at the year end was £484,817 (2019: £469,817).

Specific Development Projects Fund

This fund represents the charity's commitment to both specific and general future development of the organisation and the services provided. This fund is made up of numerous projects. The balance on this fund at the year end was £409,646 (2019: £440,678).

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

19. MOVEMENT IN FUNDS - continued

General Funds

General funds comprise those funds which the trustees are free to use in accordance with the charitable objects, which are not designated for particular purposes. The balance on this fund at the year end was £252,775 (2019: £251,700).

Restricted Funds

General funds comprise funds which have been given for particular purposes and projects. The balances on these funds at the year-end were as follows:

Specific development projects fund £43,122 (2019: £40,506).

Appeals fund £110,984 (2019: £162,231)

Assets in use £(11,184) (2019: (7,892)).

Richard Bannister project £88,950 (2019: £111,552)

Emergency property repair fund £42,558 (2019: £42,558)

Investment V82 AOYL £(63,366) (2019: £Nil)

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2020.

Deafway

Year ended 31st March 2020

Listing of Appeals Fund Donations

Income in the year from Appeals Fund Donations can be analysed by donor as follows:

	<u>£</u>
National Lottery Award	8,185
Anton Jurgens Charitable Trust	5,010
The Houghton Dunn Charitable Trust	5,000
The Inman Charity	5,000
The Beatrice Laing Trust	2,500
Anonymous Donors	2,281
Hugh Symons Charitable Trust	2,000
Souter Charitable Trust	2,000
The Fulmer Charitable Trust	2,000
The SMB Charitable Trust	2,000
The Tula Trust Ltd	2,000
Toyota Chartiabale (Lexus Preston)	1,500
Leyland Trucks Helping Hands	1,000
The Paget Trust	1,000
The Grace Trust	750
Alan Johnson	650
CAF - Rena Spencer	507
Sydney Black Charitable Trust	500
The Rainford Trust	500
Bryan Lancaster's Trust	400
Donations under £300	2,460
Total Income for the year	<u><u>47,243</u></u>