

REGISTERED COMPANY NUMBER: 06706042 (England and Wales)
REGISTERED CHARITY NUMBER: 1163758
REGISTERED CHARITY NUMBER (SCOTLAND): SCO5670



Report of the Trustees and
Financial Statements for the
Year Ended 30 September 2020

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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Action Deafness

Report of the Trustees for the Year Ended 30 September 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 30 September 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).

STATEMENT FROM JOINT CHAIRS AND CHIEF EXECUTIVE

Emma Allen & Barry Ross, joint chairs of Action Deafness

The emergence of the coronavirus towards the end of 2019 has inevitably overshadowed the work of Action Deafness in 2020.

Next year's report will provide the opportunity for a more extensive reflection on the impact of the virus and the lessons to be learned.

Nevertheless, now is the right time to record our immense gratitude to colleagues and volunteers throughout the organisation. They have responded to the challenge of coronavirus magnificently, tirelessly and with great personal sacrifice to ensure that Deaf people continue to receive the support they need.

Many colleagues have continued to deliver front line support to Deaf people in exceptionally demanding conditions. Office staff have adapted to a new infrastructure to facilitate the effective running of the organisation from their homes. The managers have dealt with front line challenges, such as a national PPE shortage, and ensured that staff have been kept safe and supported through a difficult time. The executive leadership team have responded to rapidly changing government requirements and provided outstanding leadership in the face of significant pressures.

Despite the above unprecedented challenges, it was a positive year for Action Deafness. In 2019 Action Deafness merged with Deaf Direct which heralded a new start and led to important progress in many areas. This year has also seen the number of interpreting assignments increase and the development of a new 24/7 personal care support in partnership with a housing association. This performance has meant that despite all the challenges, AD has maintained a strong financial position.

We must record our gratitude to our fellow trustees for their support to the executive leadership team, management teams and department staff members within the organisation. The trustees have risen to the challenge presented by the coronavirus and contributed well beyond the normal expectation. Throughout the pandemic, and the difficult year it has created, Action Deafness continues to meet its obligations to our funders. Although the financial situation is challenging, we are optimistic of sustaining and developing our services as we look at new ways to adapt our delivery to meet the needs.

Craig Crowley, Chief Executive & Company Secretary

Nothing could have prepared the staff team at Action Deafness for this most unprecedented year when so much changed in a remarkably short period of time.

They say that a crisis brings out the best and the worst in humankind, but at Action Deafness, I only saw the best. I must pay tribute to the front-line staff and management teams for demonstrating such remarkable focus and care to our service users/clients.

We used this challenging time to refocus our policy work, tighten our risk management processes and introduce emergency remote interpreting provision (called TerpTV) to St Andrew's Healthcare. In addition, we adapted to deliver our community & care services remotely and supported the local Walsall-based Deaf charity to eventually sell their building before merging with Action Deafness. I was delighted to see AD work with Deafkidz International to quickly establish and deliver a short-term online project to address some of the challenges faced by children due to the pandemic.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

The drive and determination was incredible throughout the whole organisation which has meant that our Deaf service users/clients were not forgotten during this crisis.

Despite the uncertainty and tough times, we have been able to look forward; every challenge was met with enthusiasm and openness. We have learnt a great deal through the year and we will be taking forward new approaches which will prepare Action Deafness up for the future.

I would like to end by offering my condolences and paying tribute to our service users and members of the Action Deafness family who have been affected personally by the coronavirus.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our 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)

Our 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

Our 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 support.

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.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

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 is a Deaf-led national charitable company. Action Deafness's charitable objectives focus on the delivery of a range of services throughout the UK with primary delivery/focus on the Midlands, Oxfordshire & Sussex.

Our flagship services are:

Communications Interpreting
Community & Care (includes YOUChoose consortium)
Joint Ventures/Partnerships
Equipment & Projects

We retain our charitable obligation to Leicester, Loughborough, Leicestershire, Rutland, Worcestershire, Herefordshire, Oxfordshire and Walsall. We continue, as a company limited by guarantee, to offer services that benefit Deaf, hard of hearing, deafened and deafblind communities throughout the UK.

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 Interpreting services which assists communication between the hearing and the non-hearing community. The Trustee Directors have had due regard to the Charity Commission's guidance on public benefit

Health & safety statement

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

General Data Protection Regulation (GDPR) statement

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

Safeguarding statement

The charitable company has been working hard to safeguard vulnerable children and adults throughout the organisation and our services. We have procedures in place and regular training has taken place during the course of the year. Robust policies and protocols stipulate regular communication, and if needed, disclosure to external safeguarding teams.

Grant making policy

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

Complaints

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

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

ACHIEVEMENT AND PERFORMANCE

This review provides assurance of delivery of Action Deafness' strategic objectives as per Action Deafness' Five Year Strategy 2018-2023 (approved by the Board of Trustees in September 2018).

These outcomes have also been measured against the departmental business operating plan 2019-2020.

Since the merger with Deaf Direct in October 2019, Action Deafness now has six offices which are in Leicester, Loughborough, Derby, Worcester and Hereford. It also has one hot-desk office in Brighton, Sussex.

The organisation has building assets - the Oxford Deaf & Hard of Hearing Centre.

Our Five-Year Plan to 2023

This year (2019/20) was the second year of our Five-Year Plan and we have made excellent progress with the milestones and targets that were agreed across all three of our priority areas.

As would be expected in the second year of a five-year plan, many of these milestones related to development of proposals or preparation work for launching new services, partnerships or areas of work, with the implementation of these coming in the final three years of the plan.

The Big Picture in 2019-2020:

- **Consolidate, streamline and harmonise:** Following the merger with Deaf Direct, the new AD organisational structure was approved for 2019-2020 with measurable outcomes delivered and achieved
- **Consolidate and maintain robust 'combined' Human Resources:** The Breathe HR portal system was delivered and achieved
- **Oxford Deaf Centre Building:** despite an agreed Heads of Terms and exchange of sale contract the proposed sale had been severely delayed due to COVID19. Plans for proposed Business Development initiatives in Oxfordshire have been delayed until the sale of the building is finalised.
- **Diversify income generation, service delivery and business activities to achieve "conservative" year-end income:** Communications Interpreting and Community & Care Services have exceeded income targets. New income streams included Information Advice and Guidance in Worcester, a new 24/7 community care project in Derbyshire, lottery and DWP funding for specific projects.
- **Effect prudent stewardship of expenditure:** despite COVID19 restrictions, Action Deafness maintained an agreed one-off budget deficit. This was planned due to the consequences of the merger, the costs of which will be recouped at a later time. AD received income via discretionary & COVID-19 grants
- **Deliver activities of Community & Care, Communications Interpreting and Deaf Direct Services:** The delivery of services was maintained through the steadfast commitment and hard work from the team of keyworkers and front line staff during COVID-19 lockdown and pandemic.
- **Maintain and consolidate culture of organisational effectiveness:**
 - i) Action Deafness implemented the Care Docs administration system to meet the expectations of the Care Quality Commission (CQC) registration.
 - ii) We have successfully achieved re-certification of ISO 9001 (Quality Management) and 27001 (Information and Security) accreditation.
 - iii) Action Deafness has maintained compliance with policies and procedures in particular; Risk Register, Business Continuity Plan, Safeguarding and GDPR procedures. All have been successfully implemented to minimise risk and increase safety for clients and the organisation.

Key Initiatives for 2019/2020 Period:

- Action Deafness had to delay its intended plans for a Fundraising Department due to COVID19 restrictions and the delays associated with the sale of the Oxford Deaf Centre building.
- Due to COVID-19 pandemic, the development of Advocacy, Outreach and Engagement services based in Oxfordshire were postponed.

Action Deafness

Report of the Trustees

for the Year Ended 30 September 2020

- We established a new-look Digital and Equipment Service based in Leicester City, Worcestershire, Herefordshire and Oxfordshire. Our contract for referrals from Leicester City was renewed for a further three years.
- We were successful in obtaining a grant from The Eveson Trust to assist us with the equipment service project in July 2020.
- We were successful with the establishment of Community PA service in Hertfordshire. Following the successful pilot project with Hertfordshire Sensory Services Team, a new Coordinator was appointed in April 2020.
- Thanks to an excellent partnership with the Futures Housing Group, we were successful with the development of new 24/7 Personal Care Project in Derbyshire.
- We successfully concluded external service and care management support through joint venture arrangements with DeafPlus and Cumbria Deaf Association in December 2019.
- We successfully concluded merger arrangements with Walsall Deaf Community Services following negotiations and due diligence. Boards of Walsall Deaf Community Services and Action Deafness approved plans for Walsall to be merged with Action Deafness in September 2020.

Other Key Achievements:

- Feedback Survey: 82% of Deaf & Hard of Hearing people said Action Deafness helped them to live their lives safely and independently
- Feedback Survey: 73% of stakeholders said Action Deafness' services helped them to get through COVID-19
- 30,000 hours of community & care support were provided during 2019-2020 - an increase of 26% from 2018-2019
- 12,000 assignments were provided from Communications Interpreting - an increase of 17% from 2018-2019.
- We provided partnership support and joint venture agreements with a total of eight partners
- We achieved two mergers with Deaf Direct and Walsall Deaf Community Services
- Despite COVID19 restrictions, we managed to achieve 75% of our Five Year Strategic 'Goals' through our service provision and business development

Stakeholders and Supporters

Our appreciation is extended to the following stakeholders, supporters and partners (in alphabetical order) for their support, collaboration and partnership during 2019-2020:

- Brighton and Hove Clinical Commissioning Group (CCG)
- Brighton & Sussex Universities Hospitals NHS
- Cumbria Deaf Association
- CJ Interpreting
- CommunicationPlus
- DeafCOG
- DeafKidz International
- Deafplus
- Derby City Council
- Derbyshire County Council
- East Sussex County Council
- Eveson Trust
- Futures Housing Group
- Herefordshire County Council
- Herefordshire & Worcestershire Health & Care NHS
- Hertfordshire County Council
- Leicester City Council
- Leicestershire County Council
- Nottingham City Council
- Nottinghamshire County Council
- Oxford City Council
- Oxfordshire County Council

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

- SignLive VRS
- Splice Agency
- St Andrew's Healthcare Trust
- Sussex Partnership MH NHS
- University Hospitals of Leicester NHS
- Vision Links (Herefordshire)
- Walsall Deaf Community Services
- Warwickshire County Council
- Worcestershire Acute Hospitals NHS
- Worcester City Council
- Worcestershire County Council

We look forward to strong partnerships and relationships with more organisations / charities in order to create a better future for Deaf communities across the UK.

FUTURE PLANS FOR 2020-2021

The Big Picture

- Consolidate, streamline and harmonise by maintaining a robust and efficient organisational structure which has been approved in the 2020-2021 Business Operating Plan
- Consolidate and maintain our flagship services (Communications Interpreting, Community & Care and Services) throughout 2020-2021
- Conclude the partnership agreements with B2B stakeholders such as DeafPlus and SignLive VRS
- Develop new initiatives and implement further new partnerships/joint ventures with Deaf charities, organisations and stakeholders
- Maintain our relationship with a potential purchaser through the long stop extension agreement leading to the eventual sale of Oxford Deaf & Hard of Hearing Centre
- Diversify income generation, service delivery and business activities to achieve year end income by September 2021.
- Effect prudent stewardship of expenditure, achieving a breakeven position (after grants/legacies/fundraising) despite COVID-19 implications and a likely recession
- Deliver activities of Community & Care Services, Communications Interpreting and AD Services complemented by Executive Office, Finance & Admin and Human Resources
- Maintain and consolidate a culture of organisational effectiveness through i) Care Quality Commission (CQC) registration, ii) ISO 9001 (Quality Management) and 27001 (Information and Security) accreditation as well as iii) compliance with policies and procedures in Risk Register, Business Continuation Plan, Safeguarding and GDPR

Key Initiatives for 2020-2021

- Develop and implement new Action Kickstart (DWP Kickstart Scheme) project for the recruitment of trainees aged 18-24 for work experience opportunities with Action Deafness and partnering Deaf charities throughout the UK
- Develop Generation Communication project for older Deaf and Hard of Hearing people to be trained by a team of GC officers in IT. Funding realised through the Department of Culture Media & Sport and The National Lottery's Coronavirus Grant
- Re-establish User Consultation Groups for Worcestershire/Herefordshire/Oxfordshire and West/East Midlands (Walsall/Derby) as part of the charity's objectives and merger agreements
- Deliver Digital and Equipment Services based in Leicester City, Worcestershire, Herefordshire and Oxfordshire thanks to the financial support from Eveson Trust and Leicester City Council
- Re-establish and deliver Community PA service in Herefordshire, Worcestershire and Oxfordshire
- Work towards the eventual sale of Oxford Deaf & Hard of Hearing Centre building.
- Develop and establish new initiatives in sensory, care & support provision

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

- Develop new development opportunities by applying to join the NHS's Shared Business Services (SBS) agreement framework for Face-to-Face (F2F) and video relay service (VRS) for BSL interpreting
- Pursue new Scottish charity registration status for the purposes of key initiatives in community care.
- Explore further 24/7 Personal Care and/or ExtraCare Project by producing a feasibility report and a webinar on Open Space
- Explore initiatives in digitalisation, external service and care management support via joint venture arrangements
- Develop and establish new care & support provision in Walsall following recent merger with Action Deafness.
- Revamp promotions and marketing initiatives with the development of a new website and new brand logo for Action Deafness
- Work towards achieving the Cyber Essentials Certificate and ISO 18841 Certificate in Interpreting

FINANCIAL REVIEW

Summary of the year

Income for the 12 months amounted to £3,744,297 (2019: £2,894,900). Expenditure for the same period amounted to £3,746,251 (2019: £2,880,817). As a result the deficit for the period (before other recognised gains and losses) was £1,954 (2019: surplus £14,690)

The defined benefit scheme liability decreased to £66,700 (2019: £323,500) 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, reduced to £11,182 (2019: £14,315)

Total funds on hand at the balance sheet amount to net assets of £1,145,937 (2019: net liability of £13,397)
Funds on hand at the Balance Sheet date comprise restricted Funds of £1,039,207 (2019: £3,529).

Investment policy and objectives

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

FINANCIAL REVIEW

Reserves policy

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

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

The trustees recognise the importance of ensuring that, a suitable level of reserves are maintained and the board is committed to monitoring the financial position of the organisation on an on-going basis.

Pension liability

The pension liability represents the total of the following:

1. The share of the Leicestershire County Council Pension Fund (the Scheme) relating to ex-employees of Action Deafness who qualified to receive a pension from the Scheme. Entry to the Scheme closed in 1998 and, as at 31st March 2013, there are 10 pensioners (whose average age is 69) and 8 deferred pensioners (whose average age is 54) who had previously worked for the Charity.
2. The present value of the deficit funding agreed for the multi-employer defined contribution pension scheme (TPT Retirement Solutions - the Growth Plan) of which the charitable company is a part.

The pension liability has been a significant drain on reserves in the past, however it has been negotiated to settle the defined benefit obligation and the liability will be fully paid out by December 2020. The current deficit is £66,700 (2019: £323,500).

Going concern

The Trustee Directors are confident that there are no material uncertainties about the charitable company's ability to continue as a going concern. They have approved a realistic (with break-even in mind) budget for 2020-2021. With appropriate budgetary controls, no pension liabilities (from April 2021) and even in the current difficult economic climate, Action Deafness will continue in operation and that it is only appropriate to prepare these financial statements on a going concern basis.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Company Status

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

Trustee Directors

The governance 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 Constitutional and Administrative Details section of the report. Due to the eventuality of the merger with Walsall Deaf Community Services, the charitable company welcomed two new Trustee Directors to join Action Deafness Board from 1st October 2020: Audrey Whyte and Andrew Freeman.

Organisational structure

The day to day running of the charitable company is delegated to the Chief Executive Officer (CEO) who reports to the Board of Trustee Directors. The CEO operates within a wide-ranging delegated remit. It is policy that, where specific Trustee Directors have expertise which may be helpful, the CEO and the individual Trustee Directors work collaboratively.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

The Trustee Directors have given the CEO the leadership needed to conduct the day to day working business of the charity and the CEO attends and reports to each meeting of the Board.

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

Induction and training of new trustee directors

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

Key management remuneration

The key management personnel of the charitable company include the Trustee Directors and the Senior Management Team (now Executive Leadership Team), which consists of CEO, Head of Finance, Head of Interpreting and the Community Business Manager. HR & Communications Manager and Service Manager were both added in the latter part of this financial year as part of merger arrangements agreed with Deaf Direct.

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

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

Risk management analysis

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

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

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

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06706042 (England and Wales)

Registered Charity number

1163758

Registered Charity number (Scotland)

SCO5670

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

Registered office

Peepul Centre
28 Orcharadson Avenue
Leicester
Leicestershire
LE4 6DP

Trustees

Trustee/Directors

E Allen - Joint Chair
B K Ross (appointed 1 October 2019) - Joint Chair
R F Hilton - Vice Chair
Lucy Warnes
B J A Stephens
A Lewis
H Foulkes
A Whyte (appointed 1 October 2020)
W H Stavert (appointed 1 October 2019)
A Freeman (appointed 1 October 2020)
P A Lenon (appointed 1 October 2019)
R Grant (appointed 8 December 2020)

Executive Leadership Team

Craig Crowley MBE - Chief Executive
Jim Robertson - Head of Finance & Administration
Karen Draper - Finance & Administration Manager
Charlotte Jefferies - HR & Communications Manager
Nigel Cleaver - Head of Interpreting
Mhari Simpson - Community Business Manager
Paul Redfern - Community Manager (Maternity leave cover)
Chris Harrison - Service Manager

Chief Executive/Company Secretary

C A Crowley MBE

Auditors

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

Solicitors

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

Action Deafness

Report of the Trustees for the Year Ended 30 September 2020

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:

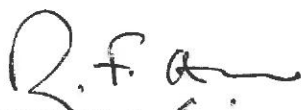
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Charnwood Accountants and Business Advisors LLP have informed the trustees of their decision to step down as auditors, citing a lack of charities expertise within their team at current. The trustees would like to thank Charnwood for their services over the last 9 years.

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 22nd June 2021 and signed on its behalf by:



R F Hilton - Trustee

Report of the Independent Auditors to the Members of Action Deafness

Opinion

We have audited the financial statements of Action Deafness (the 'charitable company') for the year ended 30 September 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 30 September 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 Action Deafness

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Report of the Independent Auditors to the Members of
Action Deafness

Use of our report

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



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

Date: 22/06/2021

Action Deafness

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 30 September 2020

	Notes	Unrestricted funds £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	80,816	-	80,816	19,316
Charitable activities	5				
Communications		2,795,453	-	2,795,453	2,212,504
Community Support		602,442	-	602,442	567,125
Learning		3,652	-	3,652	4,995
Other charitable projects		83,302	-	83,302	-
Books, DVDs and AD Tech		36,623	-	36,623	32,751
Other trading activities	3	73,014	-	73,014	57,452
Investment income	4	387	-	387	757
Other income		68,608	-	68,608	-
Total		3,744,297	-	3,744,297	2,894,900
EXPENDITURE ON					
Raising funds	6	27,856	-	27,856	4,187
Charitable activities	7				
Communications		2,976,311	-	2,976,311	2,088,700
Community Support		645,213	18,532	663,745	732,668
Learning		2,971	-	2,971	2,743
Support for social groups		6,924	-	6,924	12,578
Other charitable projects		19,656	-	19,656	16,008
Books, DVDs and AD Tech		35,179	-	35,179	18,997
Business Development		11,691	-	11,691	-
Fundraising		1,918	-	1,918	4,936
Total		3,727,719	18,532	3,746,251	2,880,817
Net gains on investments		280	-	280	607
NET INCOME/(EXPENDITURE)		16,868	(18,532)	(1,674)	14,690
Other recognised gains/(losses)					
Gains/(losses) on revaluation of pension scheme		190,100	-	190,100	(102,601)
Merger with Deaf Direct		(84,141)	1,054,210	970,069	-
Actuarial gains on defined benefit schemes		838	-	838	1399
Net movement in funds		123,665	1,035,678	1,159,333	(87,911)

Action Deafness

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2020

	Notes	Unrestricted funds £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
RECONCILIATION OF FUNDS					
Total funds brought forward		(16,926)	3,529	(13,397)	74,514
TOTAL FUNDS CARRIED FORWARD		106,739	1,039,207	1,145,936	(13,397)

Action Deafness

Balance Sheet 30 September 2020

	Notes	Unrestricted funds £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
FIXED ASSETS					
Tangible assets	13	62,743	1,010,000	1,072,743	26,933
Investments	14	<u>11,905</u>	<u>-</u>	<u>11,905</u>	<u>11,300</u>
		74,648	1,010,000	1,084,648	38,233
CURRENT ASSETS					
Stocks	15	9,053	-	9,053	6,695
Debtors	16	737,228	-	737,228	532,507
Cash at bank		<u>262,546</u>	<u>29,207</u>	<u>291,753</u>	<u>263,961</u>
		1,008,827	29,207	1,038,034	803,163
CREDITORS					
Amounts falling due within one year	17	<u>(898,864)</u>	<u>-</u>	<u>(898,864)</u>	<u>(516,978)</u>
NET CURRENT ASSETS		<u>109,963</u>	<u>29,207</u>	<u>139,170</u>	<u>286,185</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		184,612	1,039,207	1,223,818	324,418
PENSION LIABILITY	20	(66,700)	-	(66,700)	(323,500)
RETIREMENT HEALTHCARE BENEFITS OBLIGATIONS	20	<u>(11,182)</u>	<u>-</u>	<u>(11,182)</u>	<u>(14,315)</u>
NET ASSETS/(LIABILITIES)		<u>106,730</u>	<u>1,039,207</u>	<u>1,145,936</u>	<u>(13,397)</u>
FUNDS	19				
Unrestricted funds				106,730	(16,926)
Restricted funds				<u>1,039,207</u>	<u>3,529</u>
TOTAL FUNDS				<u>1,145,937</u>	<u>(13,397)</u>

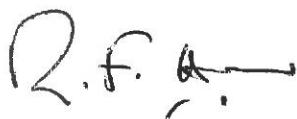
The notes form part of these financial statements

Action Deafness

Balance Sheet - continued
30 September 2020

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22nd June 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R. F. Hilton', with a horizontal line extending from the end of the signature.

.....
R F Hilton - Trustee

The notes form part of these financial statements

Action Deafness

Cash Flow Statement

for the Year Ended 30 September 2020

	Notes	30.9.20 £	30.9.19 £
Cash flows from operating activities			
Cash generated from operations	I	73,315	111,805
Interest paid		<u>-</u>	<u>(242)</u>
Net cash (used in)/provided by operating activities		<u>73,315</u>	<u>111,563</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(45,585)	(10,500)
Purchase of fixed asset investments		(325)	(320)
Interest received		63	436
Dividends received		<u>324</u>	<u>321</u>
Net cash used in investing activities		<u>(45,523)</u>	<u>(10,063)</u>
Change in cash and cash equivalents in the reporting period		<u>27,792</u>	<u>101,500</u>
Cash and cash equivalents at the beginning of the reporting period		<u>263,961</u>	<u>162,461</u>
Cash and cash equivalents at the end of the reporting period		<u>291,753</u>	<u>263,961</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2020

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

	30.9.20 £	30.9.19 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(3,969)	14,690
Adjustments for:		
Depreciation charges	13,202	7,260
Amortisation	4,833	-
Gain on investments	(280)	(607)
Interest received	(63)	(436)
Interest paid	-	242
Dividends received	(324)	(321)
(Increase)/decrease in stocks	(2,358)	1,059
Increase in debtors	(204,720)	(80,954)
Increase in creditors	381,886	192,040
Difference between pension charge and cash contributions	(114,892)	(21,168)
Net cash provided by operations	<u>73,315</u>	<u>111,805</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.19 £	Cash flow £	At 30.9.20 £
Net cash			
Cash at bank	<u>263,961</u>	<u>27,792</u>	<u>291,753</u>
	<u>263,961</u>	<u>27,792</u>	<u>291,753</u>
Total	<u>263,961</u>	<u>27,792</u>	<u>291,753</u>

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

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

Expenditure

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

Raising funds

Expenditure on raising funds comprises:

- the costs associated with attracting voluntary income
- the costs of fundraising.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

I. ACCOUNTING POLICIES - continued

Raising funds

- the costs incurred in generating trading and other income

Charitable activities

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

Governance costs

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

Allocation and apportionment of costs

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

Tangible fixed assets and fixed asset investments

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

Computer equipment - 20% on cost

All assets transferred in from Leicester & County Mission for Deaf People at 1st October 2015 and deaf direct on 1st October 2019 have been recognised as additions at their net book value at that date, however they continue to be depreciated at 20% of their original cost in order to write off their value over their estimated useful life.

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

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

Stocks

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

Taxation

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

Fund accounting

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

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

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

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

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

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 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

	30.9.20	30.9.19
	£	£
Gifts	7,044	4,725
Legacies	<u>73,772</u>	<u>14,591</u>
	<u>80,816</u>	<u>19,316</u>

3. OTHER TRADING ACTIVITIES

	30.9.20	30.9.19
	£	£
Provision of support to other charities	52,249	19,567
Commission	13,766	294
Business development	<u>6,999</u>	<u>37,591</u>
	<u>73,014</u>	<u>57,452</u>

4. INVESTMENT INCOME

	30.9.20	30.9.19
	£	£
Dividends received	324	321
Interest received	<u>63</u>	<u>436</u>
	<u>387</u>	<u>757</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

5. INCOME FROM CHARITABLE ACTIVITIES

		30.9.20	30.9.19
	Activity	£	£
Course fees	Communications	-	158
BSL interpreting	Communications	2,547,881	2,021,025
Deaf staff support income	Communications	247,572	191,321
Community support income	Community Support	602,442	567,125
Course fees	Learning	3,652	4,995
Grants	Other charitable projects	83,302	-
Books, DVD & AD Tech sales	Books, DVDs and AD Tech	36,623	32,751
		<u>3,521,472</u>	<u>2,817,375</u>

6. RAISING FUNDS

Raising donations and legacies

	30.9.20	30.9.19
	£	£
Support costs	<u>14,986</u>	<u>-</u>

Other trading activities

	30.9.20	30.9.19
	£	£
Bad debts	2,199	954
Communication support	<u>10,671</u>	<u>3,233</u>
	<u>12,870</u>	<u>4,187</u>

Aggregate amounts	<u>27,856</u>	<u>4,187</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Communications	2,459,147	517,164	2,976,311
Community Support	552,354	111,391	663,745
Learning	2,971	-	2,971
Support for social groups	4,386	2,538	6,924
Other charitable projects	4,300	15,356	19,656
Books, DVDs and AD Tech	28,518	6,661	35,179
Business Development	10,091	1,600	11,691
Fundraising	<u>218</u>	<u>1,700</u>	<u>1,918</u>
	<u>3,061,985</u>	<u>656,410</u>	<u>3,718,395</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

8. SUPPORT COSTS

	Central overheads £	Finance £	IT & telephones £
Raising donations and legacies	6,315	3,716	1,437
Communications	217,922	128,243	49,617
Community Support	46,938	27,622	10,687
Support for social groups	-	2,538	-
Other charitable projects	6,471	3,808	1,473
Books, DVDs and AD Tech	2,807	1,652	639
Business Development	-	-	-
Fundraising	1,700	-	-
	<u>282,153</u>	<u>167,579</u>	<u>63,853</u>
	Professional fees £	Governance costs £	Totals £
Raising donations and legacies	2,434	1,084	14,986
Communications	84,007	37,375	517,164
Community Support	18,094	8,050	111,391
Support for social groups	-	-	2,538
Other charitable projects	2,494	1,110	15,356
Books, DVDs and AD Tech	1,082	481	6,661
Business Development	1,600	-	1,600
Fundraising	-	-	1,700
	<u>109,711</u>	<u>48,100</u>	<u>671,397</u>

9. NET INCOME/(EXPENDITURE)

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

	30.9.20 £	30.9.19 £
Auditor's remuneration	6,013	5,471
Depreciation - owned assets	13,202	7,259
Amortisation	4,833	-
Other operating leases	<u>45,911</u>	<u>29,316</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2020 nor for the year ended 30 September 2019.

Trustees' expenses

During the year, travel expenses of £311 (2019: £1,198) were re-imbursed to trustees. No other remuneration, benefits or expenses were paid to trustees during either year.

11. STAFF COSTS

	30.9.20	30.9.19
	£	£
Wages and salaries	873,582	691,210
Social security costs	58,290	43,379
Other pension costs	<u>18,724</u>	<u>16,663</u>
	<u>950,596</u>	<u>751,252</u>

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

	30.9.20	30.9.19
Central services	10	6
Charitable activities	<u>63</u>	<u>58</u>
	<u>73</u>	<u>64</u>

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

	30.9.20	30.9.19
£60,001 - £70,000	<u>1</u>	<u>1</u>

12. PRIOR YEAR (2018/2019) COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	19,316	-	19,316
Charitable activities			
Communications	2,212,504	-	2,212,504
Community Support	567,125	-	567,125
Learning	4,995	-	4,995
Books, DVDs and AD Tech	32,751	-	32,751
Other trading activities	57,452	-	57,452
Investment income	<u>757</u>	<u>-</u>	<u>757</u>
Total	2,894,900	-	2,894,900

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

12. PRIOR YEAR (2018/2019) COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	4,187	-	4,187
Charitable activities			
Communications	2,088,700	-	2,088,700
Community Support	732,668	-	732,668
Learning	2,743	-	2,743
Support for social groups	12,578	-	12,578
Other charitable projects	16,008	-	16,008
Books, DVDs and AD Tech	18,649	348	18,997
Fundraising	4,936	-	4,936
Total	2,880,469	348	2,880,817
Net gains on investments	607	-	607
NET INCOME/(EXPENDITURE)	15,038	(348)	14,690
Other recognised gains/(losses)			
Gains/(losses) on revaluation of pension scheme	(104,000)	-	(104,000)
Actuarial gains on defined benefit schemes	1,399	-	1,399
Net movement in funds	(87,563)	(348)	(87,911)
RECONCILIATION OF FUNDS			
Total funds brought forward	70,637	3,877	74,514
TOTAL FUNDS CARRIED FORWARD	(16,926)	3,529	(13,397)

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 October 2019	-	-	44,025	44,025
Additions	-	-	45,585	45,585
Acquisition via merger	<u>1,010,000</u>	<u>14,954</u>	<u>-</u>	<u>1,024,954</u>
At 30 September 2020	<u>1,010,000</u>	<u>14,954</u>	<u>89,610</u>	<u>1,114,564</u>
DEPRECIATION				
At 1 October 2019	-	-	17,092	17,092
Charge for year	-	3,427	9,775	13,202
Transfer to ownership	<u>-</u>	<u>11,527</u>	<u>-</u>	<u>11,527</u>
At 30 September 2020	<u>-</u>	<u>14,954</u>	<u>26,867</u>	<u>41,821</u>
NET BOOK VALUE				
At 30 September 2020	<u>1,010,000</u>	<u>-</u>	<u>62,743</u>	<u>1,072,743</u>
At 30 September 2019	<u>-</u>	<u>-</u>	<u>26,933</u>	<u>26,933</u>

As part of the merger with Deaf Direct on 1 October 2019, Fixed assets were included as part of the merger. The following assets were transferred:

Freehold Property £1,010,000
Motor Vehicle £14,954

14. FIXED ASSET INVESTMENTS

	Cash and settlements pending £
MARKET VALUE	
At 1 October 2019	11,300
Additions	325
Revaluations	<u>280</u>
At 30 September 2020	<u>11,905</u>
NET BOOK VALUE	
At 30 September 2020	<u>11,905</u>
At 30 September 2019	<u>11,300</u>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

15. STOCKS

	30.9.20	30.9.19
	£	£
Stocks	<u>9,053</u>	<u>6,695</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.20	30.9.19
	£	£
Trade debtors	693,762	477,528
Other debtors	14,210	36,000
Prepayments	<u>29,256</u>	<u>18,979</u>
	<u>737,228</u>	<u>532,507</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.20	30.9.19
	£	£
Trade creditors	519,646	331,378
Social security and other taxes	13,003	11,351
VAT	264,007	153,164
Other creditors	56,601	4,779
Accruals and deferred income	<u>45,607</u>	<u>16,306</u>
	<u>898,864</u>	<u>516,978</u>

18. LEASING AGREEMENTS

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

	30.9.20	30.9.19
	£	£
Within one year	<u>36,628</u>	<u>13,393</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

19. MOVEMENT IN FUNDS

	At 1.10.19 £	Net movement in funds £	Transfers between funds £	At 30.9.20 £
Unrestricted funds				
General fund	282,424	5,141	(112,285)	175,281
Fixed Assets	26,933	(9,776)	45,585	62,742
Fixed Asset Investment Fund	11,532	666	-	12,198
Pension Reserve	(337,815)	193,233	66,700	(77,882)
Deaf Direct Unrestricted merger reserve	-	(65,609)	-	(65,609)
	(16,926)	123,655	-	106,730
Restricted funds				
Over 50's Club	3,529	-	-	3,529
Deaf Direct restricted merger reserve	-	1,035,678	-	1,035,678
TOTAL FUNDS	<u>(13,397)</u>	<u>1,159,333</u>	<u>-</u>	<u>1,145,936</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	3,743,911	(3,736,475)	16,237	23,673
Fixed Assets	-	(9,776)	-	(9,776)
Fixed Asset Investment Fund	386	-	280	666
Deaf Direct merger	-	-	(84,141)	(84,141)
Pension Reserve	-	-	193,233	193,233
Restricted funds				
Deaf Direct merger	-	-	1,035,678	1,035,678
TOTAL FUNDS	<u>3,744,297</u>	<u>(3,746,251)</u>	<u>1,161,287</u>	<u>1,159,333</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

19. MOVEMENT IN FUNDS - continued

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

	At 1.10.18 £	Net movement in funds £	Transfers between funds £	At 30.9.20 £
Unrestricted funds				
General fund	292,953	29,906	(147,579)	175,281
Fixed Assets	23,693	(17,036)	56,085	62,742
Fixed Asset Investment Fund	10,373	2,030	(205)	12,198
Pension Reserve	(256,382)	86,800	91,700	(77,882)
Deaf Direct Unrestricted merger reserve	-	(65,609)	-	(65,609)
	70,637	36,091	-	106,730
Restricted funds				
Over 50's Club	3,877	(348)	-	3,529
Deaf Direct restricted merger reserve	-	1,035,678	-	1,035,678
TOTAL FUNDS	74,514	1,071,422	-	1,145,936

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	6,638,055	(6,608,149)	-	29,906
Fixed Assets	(1)	(17,035)	-	(17,036)
Fixed Asset Investment Fund	1,143	-	887	2,030
Pension Reserve	-	(1,536)	88,337	86,801
Deaf Direct merger reserve	-	-	(65,609)	(65,609)
	6,639,197	(6,626,720)	23,615	36,092
Restricted funds				
Over 50's Club	-	(348)	-	(348)
Deaf Direct merger reserve	-	-	1,035,678	1,035,678
TOTAL FUNDS	6,639,197	(6,629,363)	1,059,293	1,071,422

On 1st October 2019, Deaf Direct merged with Action Deafness which created the merger reserve.

The components of the restricted merger reserve are as follows:

Oxford Building £1,010,000 – The Oxford building from which Deaf Direct operated.

Thursfields £12,000 – monies received towards the purchasing of a van

Gavin Livingstone memorial fund £8,678 – For the benefit of deaf or hard of hearing within the Oxford Diocese

Screwfix £5,000 – monies received to refurbish the Crellin room and toilets

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

20. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit scheme

Following the reorganisation in 2015, the charitable company took on the obligations relating to a defined benefits final earnings pension scheme (the Scheme) previously run by Leicester & County Mission for Deaf People, which was closed to new members with effect from 1998.

The latest actuarial valuation of the Scheme was prepared as at 30th September 2020. The method used for this valuation was the projected unit credit method and the main assumptions are set out below.

As of December 2020, the pension scheme has closed after an agreement to pay the sum of £133,400. At the year end 30 September 2020, £66,700 of the balance was paid. The remaining outstanding balance of £66,700 was fully paid in December 2020.

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

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Present value of funded obligations	(66,700)	(1,400,500)	(11,182)	(14,315)
Fair value of plan assets	-	1,077,000	-	-
	(66,700)	(323,500)	(11,182)	(14,315)
Present value of unfunded obligations	-	-	-	-
Deficit	(66,700)	(323,500)	(11,182)	(14,315)
Net liability	(66,700)	(323,500)	(11,182)	14,315

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Current service cost	-	-	-	-
Net interest charge on net defined benefit asset/liability	-	36,000	119	242
Past service cost	-	-	-	-
	-	36,000	119	242
Actual return on plan assets	-	-	-	-

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Opening defined benefit obligation	66,700	1,283,500	14,315	17,882
Contributions by employer	-	-	(2,414)	(2,410)
Interest cost	-	36,000	119	242
Benefits paid	-	(58,000)	-	-
Remeasurements:				
Actuarial (gains)/losses from changes in demographic assumptions	-	(39,000)	-	-
Actuarial (gains)/losses from changes in financial assumptions	-	147,000	-	-
Oblig other remeasurement	-	31,000	(838)	(1,399)
	<u>66,700</u>	<u>1,400,500</u>	<u>11,182</u>	<u>14,315</u>

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Opening fair value of scheme assets	-	1,045,000	-	-
Interest income on plan assets	-	30,000	-	-
Contributions by employer	-	25,000	-	-
Benefits paid	-	(58,000)	-	-
Return on plan assets (excluding interest income)	-	35,000	-	-
	<u>-</u>	<u>1,077,000</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans		Retirement healthcare benefits	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	39,000	-	-
Actuarial (gains)/losses from changes in financial assumptions	-	(147,000)	-	-
Oblig other remeasurement	-	(31,000)	838	1,399
Return on plan assets (excluding interest income)	-	35,000	-	-
	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(104,000)</u>	<u>838</u>	<u>1,399</u>

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

	Defined benefit pension plans	
	30.9.20	30.9.19
Equities	-	60%
Bonds	-	30%
Property	-	8%
Cash	-	2%
		<u>100%</u>

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

	30.9.20	30.9.19
Discount rate	-	1.90%
Future salary increases	-	2.50%
Future pension increases	-	2.00%

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

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

One percentage point	
Increase	Decrease
£	£

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Defined contribution scheme

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional deficit contributions to the scheme as follows:

- From 1 April 2019 to 31 January 2025: £11,243,000 per annum
(payable monthly & increasing by 3% each on 1st April.)

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

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

- From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1st April)
- From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1st April)

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

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

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

21. RELATED PARTY DISCLOSURES

During the year, expenses of £311 (2019: £1,198) were claimed by trustees - at the year end a balance of £Nil (2019: £Nil) had not yet been reimbursed.

22. PURPOSE OF RESTRICTED FUNDS

Over 50's Club

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

Deaf Direct merger reserve

This was created on the merger of Deaf Direct, the fund includes the property located in Oxford. The purpose of the fund is to benefit the Deaf and hard of hearing in the Oxford community.

23. FINANCIAL INSTRUMENTS

Financial assets measured at fair value through the SOFA amount to £11,905 (2019: £11,300), on which £280 (2019: £607) has been recognised in the SOFA this year. Fair value is notified at regular intervals by the institute with whom the investments are held.

