

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

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
DEAFWAY

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

DEAFWAY

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FOR THE YEAR ENDED 31 MARCH 2021

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DEAFWAY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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 31 March 2021. 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).

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Objectives and activities

Deafway is established for:

'...the relief of people who are D/deaf* (incorporating Deafblind, deafened and hard of hearing) or who utilise a visual language (whether that be British Sign Language, Sign Supported English or home language). 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 (incorporating Deafblind, deafened and hard of hearing) people get the same opportunities in all aspects of life that their hearing peers do. Our base is, and always has been, in Preston and Lancaster, Lancashire. However, our work has a national focus and reach. Deafway is therefore a local and national 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 forms of visual communication. This expresses our belief in the vital importance of sign language and Deaf culture to Deaf people across the world; 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 and nationally. It is unfortunately still the case that the needs of the majority 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, or other disabilities - 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 UK wide.

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.'

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 external professionals lack of understanding and knowledge in this area.

This damage ranges from social isolation, lack of equal access and needing-to-be-improved service provision (which does not take into account cultural and linguistic needs) in the UK - 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 believe that these situations should be reinforced with promotion of language, campaigning, guidance and the positive sharing of knowledge.

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.**

DEAFWAY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

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 31 MARCH 2021

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 (incorporating all aspects) 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 and who needs residential care, in a 'hearing' establishment imposes unnecessary and detrimental barriers.
- 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 (Due to COVID this has had to be paused for a temporary measure but they have independently relocated themselves to enable that social gathering occurs regularly).
- 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 at Deafway; taking a nationally recognised BSL Level 1 course and BSL Level 2 course in work time.
- As a positive outcome of COVID, an eLearning Deaf Awareness Training course was set up to ensure the continuity of this necessary training. This has now been embedded in our future training regime.
- Provided training for existing staff and trustees, and full training for new staff and trustees, in respect of Deaf Awareness.
- Continued to provide BSL and Deaf Awareness training to external individuals and organisations in Lancashire and nationally.

Overseas Projects

- The decision was made to cease the funding to the various international projects that we have supported over the years due to the need to ensure Deafway became a primary focus in terms of the necessary changes and improvements.
- Continued to provide vital support to St. Anthony's School for Deaf children in Nkozi Uganda, including provision of education in sign language. This funding came to an end during Summer 2021.

Arts and Heritage Projects and Activities

- For reasons of COVID and currently the Harris museum is under refurbishment, this has therefore meant that the works we are involved with here have temporarily been suspended.

DEAFWAY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

General

- Investigated opportunities for future partnership working with other local or Deaf services.
- Continue to review and re-structure the organisation as a whole to meet the needs of the business and the sustainability of the charity.

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

Financial review

Performance

The statement of financial activities for the year is set out on page 14. The charity has net incoming resources this year of £299,859 (2020: net outgoing resources of £152,850). The realised movement between the funds is summarised below:

	General funds £	Designated funds £	Restricted funds £	Total funds £
Total income	2,470,897	727	42,079	2,513,703
Total expenditure	(2,206,184)	(62,093)	(42,513)	(2,310,790)
Gains/(losses) on investments	18,850	-	78,096	96,946
Gain/(losses) on revaluations	-	-	-	-
Transfers	(264,019)	264,019	-	-
Net income/(expenditure)	<u>19,544</u>	<u>202,653</u>	<u>77,662</u>	<u>299,859</u>

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 2021 investments held had a market value of £501,248. Details are shown in note 14 to the accounts. £93,844 of the investments represents the Richard Bannister Trust, which is a fund invested to support activities for young deaf persons in relation to sports.

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 an investment portfolio for the Richard Bannister Trust.

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 2.7 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 31 MARCH 2021

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	2021	2020
Average number of residents supported in the year	30	30
Amounts paid in support of overseas projects	17,232	55,872
Average number of employed people (head-count)	82	82
Outcome of CQC regulatory inspections	Not re-inspected	Not re-inspected
Students attending Deaf Awareness courses/sessions	196	115
Number of complaints received	0	0

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

Future plans

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

- The priority is to focus on the Business Plan, Mission Statement and Model of Care with the incorporation of the 'All about me' NHS Deaf Recovery Model.
- The CQC findings are therefore being embedded into the organisational changes needed and the need to respond to these findings and make improvements accordingly.
- The Business Continuity Plan (BCP) is ongoing in order to develop it in a more robust and cohesive way incorporating the effects from COVID19 and therefore causing minimal disruption.
- The commitment to sign up to Disability Confident and incorporate it effectively within this service.
- To make the necessary amendments to our Article of Memorandum in terms of the impact of COVID19.
- To recruit and expand our board of Trustees.
- To increase and expand the hours of support within our Domiciliary Care Services.
- Gain full capacity for our residential services.
- The building refurbishments continue in terms of an overall upgrade to the services and the site both internally and externally.
- The organisation restructure is ongoing and will continue to be so to meet the needs of the business.
- continued and commenced new discussions with other charities and services in order to initiate and expand on partnership working/service provision.
- Reviewing our Deafway 'branding' to support provision of a consistent image sent out via marketing, social media etc.
- Work is ongoing in order to re-establish the links we have historically had with both the external and Deaf community which has been hindered due to COVID restrictions.
- The issues that may arise due to the Covid-19 Pandemic would likely adversely affect and delay the future planning and progress of the Organisation.
- Reviews and necessary improvements will continue in order to make sure the internal systems of the service remain robust and current.
- More collaboration and shared working with other Deaf services in order to continue the necessary promotion of awareness and partnered working, alongside acting as representatives for our residents and staff to encourage equal access to society and uphold their rights.
- Make all areas of the business digital, in effect, becoming a paperless service.
- Develop and establish volunteers team to support Deafway services.
- Appoint a patron and/or an ambassador for Deafway (to increase our public profile).
- Integration of the staff team as a whole communication between departments and allow a more cohesive approach to our services

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.

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees who have served during the year are set out on page 5 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 his 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 Support Services manager, the Fundraising & Development team, 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.

Care Quality Commission

In April 2021 we had a CQC inspection, resulting in a rating of Inadequate and subsequently enforcement notices served. Appeals have been lodged against these notices. The CQC inspection identified necessary changes and improvements. We are fully committed to our residents and staff, subsequently many new projects incurring varying costs have been and continue to be implemented. This is to facilitate the improvement of the CQC rating and the sustainability of the organisation going forward. At the time of approving these Accounts, the outcome of our appeal (and hence whether the CQC's potential closure notice will be enforced) is unknown.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04243198 (England and Wales)

DEAFWAY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Registered Charity number
1089918

Registered office
Brockholes Brow
Preston
PR1 5BB

Trustees

Robert Eastwood (resigned 19.10.2020)
Elaine Ridley Chair Of Trustees
Claire Mingay
Hadyn Gigg
Brian Donnelly
John Ward
Victoria Wall

Auditors

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

Bankers

National Westminster Bank plc
35 Fishergate
Preston
PR1 2AD

KEY MANAGEMENT PERSONNEL

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

Carol Cuming - Chief Executive Officer until the end of July 2021
Ryan Lewis - Chief Executive Officer from April 2021
Maureen Donnelly - Finance Manager
Samantha Jones - Human Resources Manager
Lorraine Holt - Support Services Manager from April 2021

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.

DEAFWAY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

TLL Accountants Ltd ceased to be auditors to the Company following a merger with Champion Accountants LLP. Champion Accountants LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re appointed will be put at a General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6/12/21 and signed on the board's behalf by:


.....
Elaine Ridley - Trustee

**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 31 March 2021 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 31 March 2021 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.

Material uncertainty relating to going concern

We draw attention to Note 21 in the financial statements, which indicates that the Charity was subject to an adverse inspection from the Care Quality Commission which resulted in an inadequate rating. As stated in the Note, this inspection indicates that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DEAFWAY**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Charity and the sector in which they operate. We determined that the following laws and regulations were most significant; the Charities Act 2011, the Health and Social Care Act 2008, Employment regulation and Health and Safety legislation.
- We obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making inquiries to the management.
- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing journal entries; in particular any journal entries posted with unusual account combinations;
 - Reviewing material variation from our expectation in the income, expenses and balances; and
 - Assessing the extent of compliance with the relevant laws and regulations.

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
DEAFWAY

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

Date: 6.12.2021

DEAFWAY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	General fund £	Designated fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	3,535	-	38,780	42,315	55,813
Charitable activities						
Services to D/deaf people	5	2,466,233	727	-	2,466,960	2,317,945
Other trading activities	3	-	-	-	-	176
Investment income	4	1,129	-	3,299	4,428	5,969
Total		<u>2,470,897</u>	<u>727</u>	<u>42,079</u>	<u>2,513,703</u>	<u>2,379,903</u>
EXPENDITURE ON						
Raising funds	6	82,729	-	3,434	86,163	63,353
Charitable activities						
Services to D/deaf people	7	2,123,455	62,093	39,079	2,224,627	2,383,168
Total		<u>2,206,184</u>	<u>62,093</u>	<u>42,513</u>	<u>2,310,790</u>	<u>2,446,521</u>
Net gains/(losses) on investments		<u>18,850</u>	<u>-</u>	<u>78,096</u>	<u>96,946</u>	<u>(86,232)</u>
NET INCOME/(EXPENDITURE)		<u>283,563</u>	<u>(61,366)</u>	<u>77,662</u>	<u>299,859</u>	<u>(152,850)</u>
Transfers between funds	19	<u>(264,019)</u>	<u>264,019</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>19,544</u>	<u>202,653</u>	<u>77,662</u>	<u>299,859</u>	<u>(152,850)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>252,774</u>	<u>1,619,463</u>	<u>211,062</u>	<u>2,083,299</u>	<u>2,236,149</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>272,318</u></u>	<u><u>1,822,116</u></u>	<u><u>288,724</u></u>	<u><u>2,383,158</u></u>	<u><u>2,083,299</u></u>

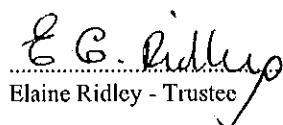
The notes form part of these financial statements

DEAFWAY

BALANCE SHEET
31 MARCH 2021

	Notes	General fund £	Designated fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	13	135,917	725,000	-	860,917	863,578
Investments	14	286,588	-	214,660	501,248	400,527
		422,505	725,000	214,660	1,362,165	1,264,105
CURRENT ASSETS						
Stocks	15	1,977	-	-	1,977	2,150
Debtors	16	116,469	-	-	116,469	48,608
Cash at bank		409,896	1,097,116	74,064	1,581,076	1,106,548
		528,342	1,097,116	74,064	1,699,522	1,157,306
CREDITORS						
Amounts falling due within one year	17	(678,529)	-	-	(678,529)	(338,112)
		(678,529)	-	-	(678,529)	(338,112)
NET CURRENT ASSETS		(150,187)	1,097,116	74,064	1,020,993	819,194
TOTAL ASSETS LESS CURRENT LIABILITIES		272,318	1,822,116	288,724	2,383,158	2,083,299
NET ASSETS		272,318	1,822,116	288,724	2,383,158	2,083,299
FUNDS						
Unrestricted funds:	19					
General fund					272,318	252,775
Designated fund					1,822,116	1,619,462
					2,094,434	1,872,237
Restricted funds:						
Restricted fund					288,724	211,062
TOTAL FUNDS					2,383,158	2,083,299

The financial statements were approved by the Board of Trustees and authorised for issue on 6/12/21 and were signed on its behalf by:


Elaine Ridley - Trustee

The notes form part of these financial statements

DEAFWAY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	486,260	7,280
Net cash provided by operating activities		<u>486,260</u>	<u>7,280</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,361)	(6,794)
Purchase of fixed asset investments		(500)	(300,500)
Interest received		1,129	1,288
Net cash used in investing activities		<u>(11,732)</u>	<u>(306,006)</u>
Change in cash and cash equivalents in the reporting period		<u>474,528</u>	<u>(298,726)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,106,548</u>	<u>1,405,274</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,581,076</u></u>	<u><u>1,106,548</u></u>

The notes form part of these financial statements

DEAFWAY

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021 £	2020 £
Net Income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	299,859	(152,850)
Adjustments for:		
Depreciation charges	15,022	12,854
(Gain)/losses on investments	(100,245)	86,231
Interest received	(1,129)	(1,288)
Decrease in stocks	197	629
(Increase)/decrease in debtors	(67,861)	721
Increase in creditors	340,417	60,983
Net cash provided by operations	<u>486,260</u>	<u>7,280</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	1,106,548	474,528	1,581,076
	<u>1,106,548</u>	<u>474,528</u>	<u>1,581,076</u>
Total	<u>1,106,548</u>	<u>474,528</u>	<u>1,581,076</u>

The notes form part of these financial statements

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021	2020
	£	£
Sundry donations and GAYE	41,980	55,478
Face to face	335	335
	<hr/>	<hr/>
	42,315	55,813
	<hr/>	<hr/>

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. OTHER TRADING ACTIVITIES		2021	2020
		£	£
Use of facilities		-	176
		<u> </u>	<u> </u>
4. INVESTMENT INCOME		2021	2020
		£	£
Sports legacy investment dividends		3,299	4,681
Interest		1,129	1,288
		<u> </u>	<u> </u>
		4,428	5,969
		<u> </u>	<u> </u>
5. INCOME FROM CHARITABLE ACTIVITIES		2021	2020
		£	£
Fees and charges	Activity		
	Services to D/deaf people	2,428,362	2,315,064
Social club income	Services to D/deaf people	13	2,620
Outreach services	Services to D/deaf people	38,585	261
		<u> </u>	<u> </u>
		2,466,960	2,317,945
		<u> </u>	<u> </u>
6. RAISING FUNDS			
Raising donations and legacies		2021	2020
		£	£
Employment costs - fundraising		74,897	54,384
Administration expenses - fundraising		5,119	5,569
		<u> </u>	<u> </u>
		80,016	59,953
		<u> </u>	<u> </u>
Other trading activities		2021	2020
		£	£
Employment costs - facilities		6,147	3,400
		<u> </u>	<u> </u>
Aggregate amounts		86,163	63,353
		<u> </u>	<u> </u>

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Services to D/deaf people	2,167,978	56,649	2,224,627

8. SUPPORT COSTS

	Governance costs £
Services to D/deaf people	56,649

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

Governance costs

		2021	2020
	Raising donations and legacies £	Services to D/deaf people £	Total activities £
Employment costs - governance	-	32,399	32,399
Management and administration costs - governance	(8,400)	24,250	15,850
Investment fees	-	-	812
Audit and accountancy fees	8,400	-	8,400
	-	56,649	57,833

9. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	15,022	12,854

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

10. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

The cost of insurance to indemnify the trustees against the consequences of any neglect or default on their part amounted to £2,505 (2020 : £2,178).

11. STAFF COSTS

Staff costs during the year comprised the following:

	31.03.21	31.03.20
	£	£
Gross (including agency staff)	1,580,986	1,562,180
Employer's National Insurance	105,511	105,696
Pension	46,323	48,712
	<u>1,732,820</u>	<u>1,716,588</u>

1 member of staff (2020:1) received gross emoluments in excess of £60,000 during the year,

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

	31.03.21	31.03.20
Management and Administration	18	17
Caring Staff	52	55
Others	12	10
	<u>82</u>	<u>82</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 £200,837 (2020 : £219,951).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	General fund £	Designated fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	4,818	3,752	47,243	55,813
Charitable activities				
Services to D/deaf people	2,317,945	-	-	2,317,945
Other trading activities	176	-	-	176
Investment income	944	344	4,681	5,969
Total	<u>2,323,883</u>	<u>4,096</u>	<u>51,924</u>	<u>2,379,903</u>
EXPENDITURE ON				
Raising funds	59,953	-	3,400	63,353

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	General fund £	Designated fund £	Restricted fund £	Total funds £
Charitable activities				
Services to D/deaf people	2,177,929	94,272	110,967	2,383,168
	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,237,882	94,272	114,367	2,446,521
Net gains/(losses) on investments	(166)	-	(86,066)	(86,232)
	<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)	85,835	(90,176)	(148,509)	(152,850)
Transfers between funds	(84,760)	74,143	10,617	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	1,075	(16,033)	(137,892)	(152,850)
RECONCILIATION OF FUNDS				
Total funds brought forward	251,700	1,635,495	348,954	2,236,149
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>252,775</u>	<u>1,619,462</u>	<u>211,062</u>	<u>2,083,299</u>

13. TANGIBLE FIXED ASSETS	Freehold property £	Long leasehold £	Improvements to property £
COST			
At 1 April 2020	625,000	100,000	76,766
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	625,000	100,000	76,766
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2020	-	-	-
Charge for year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	-	-	-
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2021	<u>625,000</u>	<u>100,000</u>	<u>76,766</u>
At 31 March 2020	<u>625,000</u>	<u>100,000</u>	<u>76,766</u>

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

13. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2020	37,161	187,439	1,026,366
Additions	-	12,361	12,361
	<hr/>	<hr/>	<hr/>
At 31 March 2021	37,161	199,800	1,038,727
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2020	33,007	129,781	162,788
Charge for year	1,876	13,146	15,022
	<hr/>	<hr/>	<hr/>
At 31 March 2021	34,883	142,927	177,810
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2021	2,278	56,873	860,917
	<hr/>	<hr/>	<hr/>
At 31 March 2020	4,154	57,658	863,578
	<hr/>	<hr/>	<hr/>

The leasehold 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.

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

14. FIXED ASSET INVESTMENTS

UK Listed Investments

	Market value 2021 £	Cost 2021 £	Market value 2020 £	Cost 2020 £
General Fund				
COIF 52.18 income units	935	230	775	230
HBOS Ordinary £1 shares	83	2,283	62	2,283
COIF 93.72 accumulation shares	21,839	10,500	17,137	11,000
Restricted Fund				
COIF 356.97 accumulation shares	73,943	5,250	59,477	5,250
Richard Bannister Trust portfolio	93,844	81,862	86,442	81,862
V82 AOYL - Fixed Income Holding	50,596	39,992	33,730	39,992
V82 AOYL - Equities and Other	260,008	260,008	202,904	260,008
	501,248	100,125	400,527	400,625

	Market Value 2020 £	Additions/ (Disposals) £	Gain/(Loss) £	Market Value 2021 £
General Fund				
COIF 52.18 income units	742	-	59	801
HBOS Ordinary £1 shares	126	-	(5)	121
COIF 93.72 accumulation shares	14,633	500	1,558	16,691
Restricted Fund				
COIF 356.97 accumulation shares	53,349	-	6,155	59,504
Richard Bannister Trust portfolio	104,919	-	4,222	109,141
V82 AOYL - Fixed Income Holding	33,730	-	-	33,730
V82 AOYL - Equities and Other	202,904	-	4,222	109,141
	400,527	500	100,221	501,248

There were no investment assets outside the UK.

15. STOCKS

	2021 £	2020 £
Stocks	1,977	2,150

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2021	2020	
		£	£	
Trade debtors		82,925	16,035	
Prepayments and accrued income		33,544	32,573	
		<u>116,469</u>	<u>48,608</u>	
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2021	2020	
		£	£	
Trade creditors		195,516	70,084	
Social security and other taxes		25,843	29,718	
Other creditors		241,694	98,325	
Accrued expenses		215,476	139,985	
		<u>678,529</u>	<u>338,112</u>	
18. LEASING AGREEMENTS				
Minimum lease payments under non-cancellable operating leases fall due as follows:				
		2021	2020	
		£	£	
Within one year		192	3,224	
Between one and five years		400	1,194	
		<u>592</u>	<u>4,418</u>	
19. MOVEMENT IN FUNDS				
	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds				
General fund	252,774	283,563	(264,019)	272,318
Designated fund	1,619,463	(61,366)	264,019	1,822,116
	<u>1,872,237</u>	<u>222,197</u>	-	<u>2,094,434</u>
Restricted funds				
Restricted fund	211,062	77,662	-	288,724
	<u>2,083,299</u>	<u>299,859</u>	<u>-</u>	<u>2,383,158</u>

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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	2,470,897	(2,206,184)	18,850	283,563
Designated fund	727	(62,093)	-	(61,366)
	<u>2,471,624</u>	<u>(2,268,277)</u>	<u>18,850</u>	<u>222,197</u>
Restricted funds				
Restricted fund	42,079	(42,513)	78,096	77,662
	<u>42,079</u>	<u>(42,513)</u>	<u>78,096</u>	<u>77,662</u>
TOTAL FUNDS	<u>2,513,703</u>	<u>(2,310,790)</u>	<u>96,946</u>	<u>299,859</u>

Comparatives for 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	1,635,495	(90,176)	74,143	1,619,462
	<u>1,887,195</u>	<u>(4,341)</u>	<u>(10,617)</u>	<u>1,872,237</u>
Restricted funds				
Restricted fund	348,954	(148,509)	10,617	211,062
	<u>348,954</u>	<u>(148,509)</u>	<u>10,617</u>	<u>211,062</u>
TOTAL FUNDS	<u>2,236,149</u>	<u>(152,850)</u>	<u>-</u>	<u>2,083,299</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	2,323,883	(2,237,882)	(166)	85,835
Designated fund	4,096	(94,272)	-	(90,176)
	<u>2,327,979</u>	<u>(2,332,154)</u>	<u>(166)</u>	<u>(4,341)</u>
Restricted funds				
Restricted fund	51,924	(114,367)	(86,066)	(148,509)
	<u>51,924</u>	<u>(114,367)</u>	<u>(86,066)</u>	<u>(148,509)</u>
TOTAL FUNDS	<u>2,379,903</u>	<u>(2,446,521)</u>	<u>(86,232)</u>	<u>(152,850)</u>

DEAFWAY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

19. MOVEMENT IN FUNDS - continued

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

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	251,700	369,398	(348,779)	272,319
Designated fund	1,635,495	(151,542)	338,162	1,822,115
	<u>1,887,195</u>	<u>217,856</u>	<u>(10,617)</u>	<u>2,094,434</u>
Restricted funds				
Restricted fund	348,954	(70,847)	10,617	288,724
	<u>348,954</u>	<u>(70,847)</u>	<u>10,617</u>	<u>288,724</u>
TOTAL FUNDS	<u>2,236,149</u>	<u>147,009</u>	<u>-</u>	<u>2,383,158</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,794,780	(4,444,066)	18,684	369,398
Designated fund	4,823	(156,365)	-	(151,542)
	<u>4,799,603</u>	<u>(4,600,431)</u>	<u>18,684</u>	<u>217,856</u>
Restricted funds				
Restricted fund	94,003	(156,880)	(7,970)	(70,847)
	<u>94,003</u>	<u>(156,880)</u>	<u>(7,970)</u>	<u>(70,847)</u>
TOTAL FUNDS	<u>4,893,606</u>	<u>(4,757,311)</u>	<u>10,714</u>	<u>147,009</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 (2020:£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 (2020: £484,817).

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 £612,298 (2020: £409,646).

DEAFWAY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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 £272,318 (2020: £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 (2020: £43,122).

Appeals fund £110,984 (2020: £110,984)

Assets in use £(14,896) (2020: £(11,184)).

Richard Bannister project £96,352 (2020: £88,950)

Emergency property repair fund £42,558 (2020: £42,558)

Investment V82 AOYL £10,603 (2020: £(63,366))

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

21. GOING CONCERN

In April 2021 we had a CQC inspection, resulting in a rating of Inadequate and subsequently enforcement notices served. Appeals have been lodged against these notices. The CQC inspection identified necessary changes and improvements. We are fully committed to our residents and staff, subsequently many new projects incurring varying costs have been and continue to be implemented. This is to facilitate the improvement of the CQC rating and the sustainability of the organisation going forward. At the time of approving these Accounts, the outcome of our appeal (and hence whether the CQC's potential closure notice will be enforced) is unknown.