

Charity Registration No. 1065021

Company Registration No. 03389496 (England and Wales)

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**



# MERSEYSIDE SOCIETY FOR DEAF PEOPLE

## COMPANY LIMITED BY GUARANTEE

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Barry Avison Mr Robert Davies Cllr Louise Reecejones Dr Joyce Carter Mrs Imelda O'Neill Ms Susan Mahoney Mr Andrew McLoughlin Ms Sandra Scott Rev Hannah Lewis	(Appointed 8 October 2015) (Appointed 8 February 2016) (Appointed 8 October 2015) (Appointed 7 June 2016) (Appointed 16 March 2017) (Appointed 16 March 2017) (Appointed 16 March 2017) (Appointed 17 May 2017)
<b>Chief Executive</b>	Mr Chris Murphy	
<b>Charity number</b>	1065021	
<b>Company number</b>	03389496	
<b>Registered office</b>	c/o The Bradbury Centre Youens Way Liverpool L14 2EP	
<b>Auditor</b>	BWMacfarlane Castle Chambers 43 Castle Street Liverpool Merseyside United Kingdom L2 9SH	
<b>Bankers</b>	Barclays Bank plc 394 Edge Lane Liverpool L7 9PX	
<b>Solicitors</b>	Excello Law One Derby Square Liverpool L2 9XX  Hogan Brown Union Court Cook Street Liverpool L2 4SJ	

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**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**CHAIR'S REPORT**  
***FOR THE YEAR ENDED 30 SEPTEMBER 2016***

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2015/16 proved to be a successful year for Merseyside Society for Deaf People. We have continued to provide social care, supporting people services on behalf of Liverpool, Sefton and Wirral Councils, together with environmental aids equipment services which is vital in helping Deaf, Deaf Blind and Hard of Hearing people retain an independent life and prevent social isolation.

We continue to work against the challenges of reductions in funding in the third sector owing to public sector cuts and increased client demand as a result of changes to services such as Personal Independent Payments.

We continue to work hard to meet the expectations of the funders, beneficiaries and clients and we intend to work hard to secure further financial stability through securing new sensory services contracts with the Liverpool City Region which includes the following Local Authorities: Liverpool, Sefton, Knowsley, St Helens, Wirral and Halton Councils.

We will also be applying to new funding sources and raising awareness of our services amongst our Deaf, Deaf Blind and Hard of Hearing Communities, as well as offering our BSL training to other organisations and schools.

Merseyside Society for Deaf People is successful owing to the hard work and dedication of both staff and a small team of volunteers. This combined work force ensures we can support the most vulnerable people in our community at a time when they need it most.

I would also like to thank key funders, Liverpool, Sefton and Wirral Councils for their support. A special thank you to staff, volunteers and members of the public for their donations and legacies and fund raising throughout the year.

Our key focus is always the Deaf, Deaf Blind and Hard of Hearing clients throughout the Merseyside Area. Information and advice is provided by telephone, email, Twitter, Facebook and website [www.msdp.org.uk](http://www.msdp.org.uk).

**Cllr Louise Reecejones**  
**Chair of Trustees**

# **MERSEYSIDE SOCIETY FOR DEAF PEOPLE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The trustees present their report and accounts for the year ended 30 September 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

## **Objectives and activities**

Founded in 1864 and then known as Liverpool Adult Deaf and Dumb Benevolent Society. The Charity's objects are the relief of persons who are Deaf, Deaf Blind and Hard of Hearing, to promote and encourage the prevention and mitigation of deafness and the better treatment, education, training and employment of deaf persons and to provide social and welfare services to Beneficiaries assisted wherever possible by funding from the local and other authorities and voluntary bodies.

The Charity aims to provide social care and supporting people services to Deaf, Deaf Blind and Hard of Hearing Clients in the Liverpool, Wirral and Sefton Areas and equipment services in the Liverpool and Wirral Areas. In addition we run an Interpreter service, Deaf Awareness and British Sign Language, level 1,2,3, and NVQ Level 6 (Interpreter level).

## **Mission Statement**

"Merseyside Society for Deaf People exists as both a Charity and a Company Limited by guarantee to support, promote and advance the quality of life for all Deaf, Deaf Blind and Hard of Hearing People."

## **Vision**

It is the Society's vision that the many barriers caused to individuals by Deafness, Deaf Blindness and Hard of Hearing should be identified, reduced and removed.

## **Values**

The values of the Society have assisted in distinguishing it from other organisations, being the foundation of over 150 years in existence. The Society seeks to support a community of Deaf, Deaf Blind and Hard of Hearing beneficiaries, other stakeholders, such as Local Government, the Private Sector, Education, Health Authorities and Partner Agencies in the provision of social support services which include:-

- Being available and accessible to support any person of any age who is disadvantaged, deprived or unrepresented due to their Deafness, Deaf Blindness and Hard of Hearing.
- Proactively promoting the consequences and barriers created by Deafness, Deaf Blindness and Hard of Hearing.
- Supporting Deaf, Deaf Blind and Hard of Hearing people to live independent and worthwhile lives.
- Provision of Education, training and support to enable Profoundly Deaf, Deaf Blind and Hard of Hearing People gain employment and independence.
- Provide a range of professionally delivered social care, supporting people services for the benefit of all ages of Deaf, Deaf Blind and Hard of Hearing People.
- Promoting and maintaining anti discriminatory action in accordance with the Equality Act 2010.

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**Services Provided by Merseyside Society for Deaf People**

**Social Care**

The Social Care have a small highly qualified and experienced team that are all registered with the Health and Care Professions Council (HCPC) and qualified in British Sign Language and Deaf Blind Communication

The Team provide social care services to Liverpool, Sefton and Wirral Local Authorities and also through self-referrals by individuals and/or family and friends, which include assessments, support care planning for adult care users.

During 2015/16 the social work care team dealt with 100 referrals, 50 social care reviews and 24 social care assessments.

The Team continue to update the Local Authority IT system (Liquid Logic) which has been very challenging during the last twelve months in relation to inputting information about social reviews and assessments for MSDP clients.

**Environmental Aids**

The Environmental Aids Team has enabled the charity to improve and expand the provision of equipment for people that are Deaf, Deaf Blind and Hard of Hearing. We currently provide an Environmental Aids Service to Liverpool and Wirral Local Authorities.

The Team are specially trained in the assessment, installation and repair of environmental aids equipment which improve the quality of life for Deaf, Deaf Blind and Hard of Hearing people and their families in a bid to prevent social isolation and be able to live independently in main stream society.

We install a wide range of equipment that includes, flashing doorbells, telephone flashing lights, telephone conversation amplifiers, loop systems, vibrating/flashing alarm clocks, baby alarms, smoke alarms, minicomms and uniphones.

During 2015/16 the Environmental Aids Team dealt with 1,203 new referrals, 376 assessments, 1,364 installations and 621 repairs.

We received excellent feedback from one of our clients who is hard of hearing which is our favourite quote from this year, saying that she felt like James Bond with all of the new equipment that we have provided. This client can now stay in contact with her son who lives 3 hours away, using an amplified adapter that we have installed and can listen to her TV without disturbing her neighbours.

This service is really vital for our Deaf and Hard of Hearing Communities and we hope to continue to receive funding from Liverpool and Wirral City Council for this important service. The Department has also received a grant from Liverpool City Voluntary Sector (LCVS) Skelton Bounty Fund to set up a subsidised equipment service. This enables clients and members of the public to have the option to purchase additional equipment from MSDP at a subsidised cost. Also a charitable donation from Merseyside Police Federation is being used to increase the number of subsidised pieces of equipment.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**Supporting People**

The Support Worker Team provides a service to Deaf, Deaf Blind and Hard of Hearing people throughout Merseyside. All Support Staff are multi skilled with qualifications and experience in British Sign Language, Deaf Blind Manual and Health and Social Care. We employ a mix of Deaf and Hearing staff.

We provide Spot Purchase support packages for clients with additional needs aiming to promote and encourage independence and independent living.

Duty sessions are carried out on a regular basis in the Liverpool, Sefton and Wirral Areas for clients and for members of the public. This is adding value to our communities. The Liverpool duty sessions have recently changed from Thursday's to Monday afternoons to facilitate clients and the Deaf Community needs.

During 2015/16 Merseyside Society for Deaf People ran Duty drop in services in Liverpool, Wirral and Sefton for clients and members of the public that are Deaf, Deaf Blind and Hard of Hearing People. In Liverpool 252 people accessed the duty service in addition to the clients that receive home visits, There were 330 people that accessed the Sefton Duty Service and over 600 people that accessed the Wirral Duty Service.

This service is invaluable to our clients and provides added value to the Deaf, Deaf Blind and Hard of Hearing People in the Merseyside Area that are not the charity's clients who benefit from the service.

The Team have continued to provide support packages to clients in Liverpool, Sefton and Wirral. They have also taken on additional hours for an existing client as well as a new support package.

Some staff have recently undergone refresher Deaf Blind Training to keep their skills updated.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**Training & Development Unit**

It has been a very challenging year for the Training and Development Unit, despite this, we have continued to undertake Deaf Awareness Training, British Sign Language Training, level 1, 2, 3 and NVQ Level 6 (Interpreter Level).

This year the Training Unit has delivered training in BSL 1,2,3, and NVQ Level 6 (Interpreter level) to over 600 Students and the accreditation pass rate by the awarding body for students is above the National Average Level.

From a partner agency approach, we have undertaken Deaf Blind Training with Bradbury Fields for the Visually Impaired and we have continued to deliver Sensory Services Training for Deaf and Deaf Blind people.

We continue to deliver the Community Resource Unit (CRU) Project for Liverpool City Council, The annual health event was very well attended this year by the Deaf Communities and many Health Organisations attended to provide advice and guidance. In addition, we delivered six one- day deaf awareness events and introduction to British Sign Language to local voluntary and charitable organisations.

During 2016 the training team delivered Deaf Awareness presentations to 60 GP Practices/Receptionists/ Administrators to promote awareness and communication with deaf Patients.

The introduction of the Sign Club that started in May 2016 has proved to be very successful and the students have thoroughly enjoyed meeting and socialising with the Deaf Community and other British Sign Language users.

The team are working with St Mary's Hospital, Warrington to deliver British Sign Language training, level 1 and 2 to commence in 2017 and have also obtained a contract to teach BSL level 1 to St Marys College Crosby.

A Continuous Profession Development (CPD) programme has been developed for BSL Interpreters and Communication Support Workers. Sessions include interpreting in social care, legal training and improving skills

We continue to deliver BSL training level 1, 2 and NVQ 6 and our results continue to exceed the accreditation from signature which has exceeded the national average.



**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**Interpreting Services**

The Interpreting Services that is managed by the Training Unit has continued to grow. Sessions range from Interpreting in Social Care settings/Legal training to improving CPD knowledge and skills.

The Training Unit recently held Mental Health Training to a group of qualified BSL Interpreters which was very well received.

**Queens Drive Deaf Centre Building**

The redevelopment of the new Deaf Centre at Queens Drive has now been completed which includes the retail outlet for Aldi and Marks and Spencer Simply Food which are now open for business.

The Board of Merseyside Society for Deaf People is working to enable the staff and the Deaf Community to relocate to the new Deaf Centre Building during 2017.

**Grange Road West Building**

The Grange Road West Building is used to hold social care and supporting people duty services and is used by the Deaf and Hard of Hearing communities in the Wirral Area. MSDP is adding value to the local Wirral Deaf, Deaf Blind and Hard of Hearing Communities by providing a place for the communities to meet.

**Collaboration with Other Charities**

Merseyside Society for Deaf People continue to be a member of the 800 Group. In September 2016 the 800 Group held their annual Volunteer Award Ceremony in recognition of the good work carried out by volunteers. The event took place on Friday 17th September 2016 at the Bradbury Centre and once again was a very successful evening. This event will be repeated in 2017 and has become an annual event for the 800 Group Charities

**Added Value**

In April 2016, MSDP held an Easter Fun Day which raised in excess of £1,059. It was a great day and was enjoyed by staff, volunteers, clients, the Deaf Community and members of the public. The children had so much fun trying to find all of the hidden golden eggs and Mr. England popped by to support us on the day.

We are currently campaigning to raise Deaf Awareness in Merseyside and have launched an event called the '1 Minute Challenge' which has been really well received by the public. MSDP Staff have undertaken the challenge in Liverpool One, Liverpool Central Station and at Liverpool Pride, challenging the public to see how many signs they can learn in the 1 Minute Challenge. We are hoping to be at different venues across Merseyside throughout the year. Both adults and children have been really enthusiastic and have really impressed us with their natural talent.

For the end of 2016 we are planning to commence a Deaf Cinema Club for the Deaf and Hard of Hearing Communities at the small cinema in Victoria Street, Liverpool. The purpose of this event is to build stronger communities, prevent social isolation and loneliness.

**Financial review**

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**Reserves Policy**

The reserves policy is prepared in accordance with the guidance published by the Charity Commission and in the interest of prudent business management.

The policy balances the legal obligation to apply charitable funds within a reasonable time against the requirement to operate in a prudent manner that ensures Merseyside Society for Deaf People is aware of and makes provision for activities, commitments and operations of the organisation.

Overall responsibility for the implementation, monitoring and review of the policy lies with the board of trustees.

In accordance with the Charity Commission guidance, portions of the unrestricted, designated and reserve funds are designated for specific purposes even though the balances are managed collectively. The trustees reserve the right to vary such designations in light of circumstances prevailing at any point in time.

The trustees plan to hold an operating contingency fund, which aims to provide a resource for full operation for six months. In the event of major loss of income, up to and including total loss of income, this fund is intended to enable an orderly termination or transfer of all activities and work of Merseyside Society for Deaf People.

The target level of the operating contingency fund will be set, at least annually, on the basis of prevailing costs together with a redundancy fund which will be maintained to provide for the payment of statutory costs.

As at 30 September 2016 the funds of the charity were £930,641 (2015 - £780,787) of which £896,650 (2015 - £746,796) was unrestricted.

**The Forthcoming Year 2017**

**Deaf Centre Building- Queens Drive**

There are exciting times ahead for Merseyside Society for Deaf People in returning to the new Deaf Centre Building at Queens Drive with the Deaf Communities.

The building consists of 3 floors, the ground floor will be leased to generate income for the charity, the first floor will house a training room and community space for the Deaf, Deaf Blind and Hard of Hearing groups to run their activities in partnership with Merseyside Society for Deaf people.

The long term intention of the charity is to run the Deaf Centre as a Sensory Services Resource Centre, promoting all of the services we run and making easier for people to access information and advice in relation to Deafness, Deaf Blindness and Hard of Hearing disabilities.

**Grange Road West**

We are hoping to secure a grant to refurbish the building and we will continue to run our services in the building for the Wirral Communities.

# **MERSEYSIDE SOCIETY FOR DEAF PEOPLE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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## **Community Events**

Merseyside Society for Deaf People is intending to hold events in recognition of Deaf and Deaf Blindness Awareness Weeks and will communicate the dates and venues on the MSDP Website and social media platforms nearer the time.

## **Environmental Aids**

We are going to promote our environmental aids equipment and awareness of the variety of equipment available to Deaf, Deaf Blind and Hard of Hearing People and we have produced a welcome Pack for clients which provides them with information about the charity, the equipment available and the services we offer.

## **Charity of Choice**

In August 2016 Merseyside Society for Deaf People became the charity of choice for the TSB Bank at Old Swan, Liverpool. The Charity has continued to work closely with the Bank to promote Deaf Awareness and the difficulties that people face who are Deaf, Deaf Blind and Hard of Hearing in everyday life.

In October 2016 the one minute challenge event took place which provided an opportunity for Merseyside Society for Deaf People to run a deaf awareness promotion in the TSB Bank to enable their customers to gain knowledge of basic sign language.

We are continuing to canvass companies that will make Merseyside Society for Deaf People, their charity of choice.

## **Structure, governance and management**

Merseyside Society For Deaf People is a registered charity and company limited by guarantee. The charitable company is governed by its Memorandum and Articles of Association, as amended by special resolutions on the 13th June 1997 and 8th October 2015. The company has no share capital, being a company limited by guarantee.

Merseyside Society for Deaf People is governed by a Trustee Board which

- Sets policy;
- Determines corporate strategy;
- Sets key strategic objectives; and
- makes major decisions about the use of finances.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr Barry Avison	
Mr Robert Davies	(Appointed 8 October 2015)
Cllr Louise Reecejones	(Appointed 8 February 2016)
Dr Joyce Carter	(Appointed 8 October 2015)
Mrs Imelda O'Neill	(Appointed 7 June 2016)
Mr Frank Essery	(Retired 8 October 2015)
Mr Edward Coghlan	(Retired 7 June 2016)
Mr Vincent Cain	(Retired 19 April 2016)
Miss Lauren Feeney	(Appointed 8 February 2016 and retired 27 September 2016)
Mrs Susan Fisher	(Appointed 8 February 2016 and retired 14 September 2016)
Mr Alan Higham	(Appointed 16 March 2017 and resigned 26 April 2017)
Ms Susan Mahoney	(Appointed 16 March 2017)
Mr Andrew McLoughlin	(Appointed 16 March 2017)
Ms Sandra Scott	(Appointed 16 March 2017)
Mrs Julie Alexander	(Resigned 10 May 2017)
Rev Hannah Lewis	(Appointed 17 May 2017)

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**Recruitment and Appointment of New Trustees**

The retiring trustees shall, if willing to act, be deemed to have been reappointed if a vacancy is not filled, unless a resolution for the reappointment of the member trustee is put to the meeting and lost.

New trustees are formally interviewed by a panel of the current board to assess their suitability against a Person Specification.

The Memorandum of Articles of Association say there shall be a maximum 13 Trustees who shall be appointed. Trustees who are also Directors of the company, are appointed from the local community and the appointments are sanctioned by the whole Board.

Currently there are 4 vacancies for Trustees for the Merseyside Society for Deaf People and the Chair of the Board is seeking new Board members from the Business Communities. The Charity is running a recruitment drive and 4 new Board members joined the Board in March 2017.

**Induction and Training of New Trustees**

New trustees are required to attend an orientation day to brief them on their legal obligations under charity company law, the content of the Memorandum and Articles of Association, the committee and decision-making process, the business plan and recent financial performance of the charity.

**Going concern**

The main risks facing the charitable company are:

- Its ability to secure a loan to repay the Merseyside Pension Fund deficit. The trustees are confident that a loan will be arranged before the date the balance falls due in July 2017.
- The uncertainty of future funding from local councils. The CEO is discussing contracts with the local councils and the trustees are confident that negotiations will be successful in securing sufficient future funds to cover expenditure incurred in fulfilling the objectives of the charitable company.

The trustees have reviewed the cash position of the charitable company and cash forecasts at the date of signing the accounts and are satisfied that the charitable company will be able to meet all of its financial commitments as these fall due.

As such, at the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Whilst there will always be risks facing the charitable company we also have good news. The charitable company has recently been informed through a solicitor that it will soon receive good news that it is due to receive a large legacy to the value of £90,500 in the near future.

**Auditor**

Audit services will be out to tender in 2017.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
*FOR THE YEAR ENDED 30 SEPTEMBER 2016***

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**Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

**Mrs Imelda O'Neill**

Trustee

Dated: 22 June 2017

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
***FOR THE YEAR ENDED 30 SEPTEMBER 2016***

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The trustees, who are also the directors of Merseyside Society for Deaf People for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **MERSEYSIDE SOCIETY FOR DEAF PEOPLE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERSEYSIDE SOCIETY FOR DEAF PEOPLE**

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We have audited the accounts of Merseyside Society for Deaf People for the year ended 30 September 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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), including Financial Reporting Standard 102.

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 and regulations made under that Act. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Merseyside Society for Deaf People for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2016 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.

## **Emphasis of matter - Going concern**

In forming our opinion on the financial statement, which is not modified, we have considered the adequacy of the disclosures made in the financial statements concerning the charity's ability to continue as a going concern. At the year end the charity had net current liabilities of £316,004. This condition, along with other matters explained in the trustees' report and in note 24 to the accounts, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charity was unable to continue as a going concern.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF MERSEYSIDE SOCIETY FOR DEAF PEOPLE**

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**Matters on which we are required to report by exception**

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 accounts 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report (which is also the directors' report for the purposes of company law) and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Other matter**

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

**Lesley Malkin BA FCA (Senior Statutory Auditor)**  
**for and on behalf of BWMacfarlane**

22 June 2017

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
Merseyside  
L2 9SH  
United Kingdom



**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b><u>Income</u></b>					
Donations and legacies	3	27,132	980	28,112	71,144
Charitable activities	4	748,211	-	748,211	863,196
Investments	5	3,389	-	3,389	-
Other income	6	50,600	-	50,600	1,085,673
<b>Total income</b>		<b>829,332</b>	<b>980</b>	<b>830,312</b>	<b>2,020,013</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	679,478	980	680,458	970,171
<b>Total expenditure</b>		<b>679,478</b>	<b>980</b>	<b>680,458</b>	<b>970,171</b>
<b>Net income for the year/ Net movement in funds</b>		<b>149,854</b>	<b>-</b>	<b>149,854</b>	<b>1,049,842</b>
<b><u>Reconciliation of funds</u></b>					
Fund balances at 1 October 2015		770,787	10,000	780,787	(269,055)
<b>Fund balances at 30 September 2016</b>		<b>920,641</b>	<b>10,000</b>	<b>930,641</b>	<b>780,787</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,344,339		244,169
<b>Current assets</b>					
Debtors	14	110,246		84,831	
Cash at bank and in hand		358,407		1,477,739	
		<u>468,653</u>		<u>1,562,570</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	(784,657)		(913,033)	
Net current (liabilities)/assets			(316,004)		649,537
<b>Total assets less current liabilities</b>			1,028,335		893,706
<b>Creditors: amounts falling due after more than one year</b>	16		(97,694)		(112,919)
<b>Net assets</b>			<u>930,641</u>		<u>780,787</u>
<b>The funds of the charity</b>					
Restricted funds	19		10,000		10,000
<u>Unrestricted funds</u>					
General unrestricted funds		896,650		746,796	
Revaluation reserve	20	23,991		23,991	
		<u>920,641</u>		<u>770,787</u>	
<b>Total charity funds</b>			<u>930,641</u>		<u>780,787</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 22 June 2017

Mrs Imelda O'Neill  
**Trustee**

**Company Registration No. 03389496**

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	27		(57,449)		(371,712)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,106,991)		-	
Proceeds on disposal of tangible fixed assets		50,600		1,824,196	
Interest received		3,389		-	
<b>Net cash (used in)/generated from investing activities</b>			(1,053,002)		1,824,196
<b>Financing activities</b>					
(Repayment of)/increase in bank loans		(8,881)		1,800	
<b>Net cash (used in)/generated from financing activities</b>			(8,881)		1,800
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,119,332)		1,454,284
Cash and cash equivalents at beginning of year			1,477,739		23,455
<b>Cash and cash equivalents at end of year</b>			358,407		1,477,739

# **MERSEYSIDE SOCIETY FOR DEAF PEOPLE COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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#### **1 Accounting policies**

##### **Charity information**

Merseyside Society for Deaf People is a private company limited by guarantee incorporated in England and Wales. The registered office is c/o The Bradbury Centre, Youens Way, Liverpool, L14 2EP.

##### **1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2015)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts for the year ended 30 September 2016 are the first accounts of Merseyside Society for Deaf People prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

##### **1.2 Going concern**

The main risks facing the charitable company are:

- Its ability to secure a loan to repay the Merseyside Pension Fund deficit. The trustees are confident that a loan will be arranged before the date the loan balance falls due.
- The uncertainty of future funding from local councils. The CEO is discussing contracts with the local councils and the trustees are confident that negotiations will be successful in securing sufficient future funds to cover expenditure incurred in fulfilling the objectives of the charitable company.

The trustees have reviewed the cash position of the charitable company and cash forecasts at the date of signing the accounts and are satisfied that the charitable company will be able to meet all of its financial commitments.

As such, at the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted reserves set aside by the trustees for specific purposes or projects.

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,

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**1 Accounting policies**

**(Continued)**

**1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in restricted funds when receivable.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the Statement of Financial Activities under the heading Charitable Activities.

**1.5 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that 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.

Management and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Property improvements	10% on cost
Fixtures, fittings and equipment	between 20% and 33% on cost

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**1 Accounting policies**

**(Continued)**

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**1 Accounting policies (Continued)**

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Leases**

Rentals paid under operating leases are charged to the Statement of Financial Activity on a straight line basis over the period of the lease.

**1.13 Taxation**

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under gift aid.

The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	27,132	980	28,112	71,144
<b>For the year ended 30 September 2015</b>	<b>71,144</b>	<b>-</b>		<b>71,144</b>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**4 Charitable activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Education, welfare and support	748,211	863,196
Analysis by fund		
Unrestricted funds	748,211	
<b>For the year ended 30 September 2015</b>		
Unrestricted funds		841,582
Restricted funds		21,614
		863,196

**5 Investments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest receivable	3,389	-

**6 Other income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net gain on disposal of tangible fixed assets	50,600	1,085,673

The other income in 2015 relates to the surplus on the sale of Queen's Drive, net of legal fees relating to the sale.



**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**7 Charitable activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Education, welfare and support</b>		
Staff costs	457,287	592,668
Exam fees	3,564	644
Other costs	26,894	23,081
	<u>487,745</u>	<u>616,393</u>
Share of support costs (see note 8)	162,982	321,234
Share of governance costs (see note 8)	29,731	32,544
	<u>680,458</u>	<u>970,171</u>
<b>Analysis by fund</b>		
Unrestricted funds	679,478	
Restricted funds	980	
	<u>680,458</u>	
<b>For the year ended 30 September 2015</b>		
Unrestricted funds		948,557
Restricted funds		21,614
		<u>970,171</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**8 Support costs**

	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Staff costs	105,472	-	105,472	100,802	Project activity
Depreciation	6,821	-	6,821	15,506	Project activity
Premises costs	27,241	-	27,241	38,298	Project activity
Training and expenses	-	-	-	2,580	Project activity
Office costs	12,897	-	12,897	25,854	Project activity
Other costs	10,551	-	10,551	10,976	Project activity
Bad debts	-	-	-	127,218	Project activity
Audit fees	-	6,000	6,000	5,000	Project activity
Legal and professional	-	23,731	23,731	27,544	Project activity
	<u>162,982</u>	<u>29,731</u>	<u>192,713</u>	<u>353,778</u>	
Analysed between					
Charitable activities -					
Education, welfare and					
support	<u>162,982</u>	<u>29,731</u>	<u>192,713</u>	<u>353,778</u>	

**9 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

<b>Fees payable to the charity's auditor:</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Audit of the charity's annual accounts	<u>6,000</u>	<u>5,000</u>
<b>Non-audit services</b>		
Audit-related assurance services	600	-
Services relating to corporate finance transactions	900	-
All other non-audit services	<u>3,200</u>	<u>20,958</u>
<b>Total non-audit fees</b>	<u>4,700</u>	<u>20,958</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**10 Employees**

**Number of employees**

The average monthly number employees during the year was:

	<b>2016 Number</b>	<b>2015 Number</b>
Charitable activity	24	28
Management and support	3	3
	<hr/> 27	<hr/> 31
	<hr/> <hr/>	<hr/> <hr/>

**Employment costs**

	<b>2016 £</b>	<b>2015 £</b>
Wages and salaries	523,616	641,497
Social security costs	35,729	43,342
Other pension costs	3,414	8,631
	<hr/> 562,759	<hr/> 693,470
	<hr/> <hr/>	<hr/> <hr/>

Included within payroll costs is £41,985 (2015 - £59,803) for costs of freelance interpreters, bank staff, social care and training contractors.

There were no employees whose annual remuneration was £60,000 or more.

**11 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**12 Tangible fixed assets**

	Freehold land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 October 2015	284,661	254,158	538,819
Additions	1,106,991	-	1,106,991
Disposals	-	(3,085)	(3,085)
At 30 September 2016	1,391,652	251,073	1,642,725
<b>Depreciation and impairment</b>			
At 1 October 2015	44,692	249,958	294,650
Depreciation charged in the year	2,621	4,200	6,821
Eliminated in respect of disposals	-	(3,085)	(3,085)
At 30 September 2016	47,313	251,073	298,386
<b>Carrying amount</b>			
At 30 September 2016	1,344,339	-	1,344,339
At 30 September 2015	239,969	4,200	244,169

The land at Queens Drive is included at the deemed cost of £30,359 as allowed by regulations under FRS102 and the charity SORP 2015.

Barclays Bank plc hold a legal charge over 15 and 17 -19 Grange Road West, Birkenhead.

As at 30 September 2016 the amount owed to Barclays was £112,919 (2015 - £121,800) which is 55% (2015 - 58%) of the net book value of the property at 15 and 17 -19 Grange Road West, Birkenhead.

Wirral Borough Council hold a legal charge, registered in September 2016, over freehold land and buildings at Queens Drive, West Derby, Liverpool.

As at 30 September 2016 the amount owed to Wirral Borough Council was £647,000 which is 57% of the net book value of the freehold land and buildings at Queens Drive, West Derby, Liverpool.

Freehold land and buildings includes investment property. The fair value of the investment property component cannot be measured reliably without undue cost or effort, hence the entire property is accounted for as property within tangible fixed assets.

**13 Financial instruments**

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	420,830	1,508,497
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	816,834	937,195

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**14 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	62,423	30,758
Prepayments and accrued income	47,823	54,073
	<u>110,246</u>	<u>84,831</u>

**15 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Bank loans	<b>17</b>	15,225	8,881
Other taxation and social security		65,517	88,757
Trade creditors		26,363	44,089
Other creditors		647,000	714,904
Accruals and deferred income		30,552	56,402
		<u>784,657</u>	<u>913,033</u>

The bank loan is secured by a legal charge over the charity's property in Grange Road West, Birkenhead as detailed in the fixed asset and borrowings notes (see notes 12 & 17)

The charity contributed to Merseyside Pension Fund which is a defined benefit scheme, with the assets held in separate trustee administered funds. MSDP ceased to be admitted as a member of the scheme with effect from 31 October 2014 triggering a liability on closure of £817,459.  
At the year end £647,000 was outstanding and included in other creditors (2015 - £714,904).

The outstanding balance due to Merseyside Pension Fund is secured by a charge held by Wirral Borough Council (Merseyside Pension Fund) as detailed in the fixed asset note (see note 12). Currently MSDP are making repayments at £10,000 per month with 23 July 2017 as the default date for full repayment of the balance. Discussions with Merseyside Pension Fund continue regarding the repayment of this balance.

**16 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Bank loans	<b>17</b>	97,694	112,919

The bank loan is secured by a legal charge over the charity's property in Grange Road West, Birkenhead as detailed in the fixed asset and borrowings notes (see notes 12 & 17)

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**17 Loans and overdrafts**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans	112,919	121,800
	<u>          </u>	<u>          </u>
Payable within one year	15,225	8,881
Payable after one year	97,694	112,919
	<u>          </u>	<u>          </u>
Amounts included above which fall due after five years:		
Payable by instalments	36,794	43,138
	<u>          </u>	<u>          </u>

The loan is secured by a legal charge over the charity's property in Grange Road West, Birkenhead.

The bank loan is repayable by equal monthly instalments of £1,269. Interest is paid as it falls due and is calculated at 3.25 per cent per annum over bank base rate.

**18 Retirement benefit schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge in the statement of financial activities for the year in respect of defined contribution schemes was £3,414 (2015 - £8,631).

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**19 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 October 2015	Movement in funds		Balance at 30 September 2016
	£	Income	Expenditure	£
Santander	10,000	-	-	10,000
Other	-	980	(980)	-
	<u>10,000</u>	<u>980</u>	<u>(980)</u>	<u>10,000</u>

Merseyside Society for Deaf People (MSDP) was established as a charity in 1864, to address the many barriers and inequalities experience by D/deaf people. MSDP seeks to help D/deaf people achieve a full, active and influencing role in mainstream society.

The work undertaken by the Society to achieve improved citizenship for D/deaf people has been significant. The organisation has been at the forefront of a number of unique developments with the Local Authorities for residents of Merseyside.

**Santander**

MSDP were successful in a £10,000 bid to provide a befriending service for Deaf, Deaf/blind and Hard of Hearing communities in the Merseyside Area.

**20 Revaluation reserve**

Included within the unrestricted funds is the revaluation reserve of £23,991 (2015 - £23,991). This is the deemed cost element of land retained at Queens Drive, West Derby for the new building to be erected following the sale of the site and old building in the year ended 30 September 2015, less the original cost of that land of £6,368.

**21 Analysis of net assets between funds**

	Unrestricted £	Restricted £	Total £
Fund balances at 30 September 2016 are represented by:			
Tangible assets	1,344,339	-	1,344,339
Current assets/(liabilities)	(326,004)	10,000	(316,004)
Long term liabilities	(97,694)	-	(97,694)
	<u>920,641</u>	<u>10,000</u>	<u>930,641</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**22 Reconciliations on adoption of FRS 102**

**Reconciliation of fund balances**

	<b>At 1 Oct 2014</b>	<b>At 30 Sep 2015</b>
<b>Notes</b>	<b>£</b>	<b>£</b>
Fund balances as reported under previous UK GAAP	(209,641)	840,201
Change to deemed cost	(59,414)	(59,414)
Fund balances reported under FRS 102	<u>(269,055)</u>	<u>780,787</u>

**Reconciliation of net movement in funds**

<b>Notes</b>	<b>2015 £</b>
Net movement in funds as reported under previous UK GAAP and under FRS 102	<u>1,049,842</u>

**Notes to reconciliations on adoption of FRS 102**

The transition adjustment relates to the valuation of land and property at Queen's Drive as held at 1 October 2014. The trustees have decided to use this valuation of £925,719 as the deemed cost, as allowed by regulations under FRS102 and the Charity SORP 2015. The adjustment brings in the land retained by the charity at a deemed cost of just over £30,000, following the sale of land and property in the year to 30 September 2015.



**MERSEYSIDE SOCIETY FOR DEAF PEOPLE**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**23 Events after the reporting date**

The trustees have prepared cash flow forecasts and based on these they expect the charity to be able to operate, provided the revised plans for the development at Queens Drive are approved and funds received as anticipated, as set out in the trustees' report.

**24 Going concern**

The trustees have prepared cash flow forecasts and based on these they expect the charity to be able to continue as a going concern, provided that the following funding, set out in the trustees' report, is received as anticipated:

- A bank loan to repay the pension arrears is approved and obtained. This is dependent on the confirmation of the granting of planning permission for the use of the ground floor at the charity's Queens Drive property as a coffee shop permitting a lease to be signed that will, in turn, allow the loan to proceed. This loan will then provide the necessary funding for the settlement of the pension scheme liability.
- SLA funding from Councils continues.

**25 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2016</b> £	<b>2015</b> £
Within one year	2,430	1,277
Between two and five years	22,000	28,000
	<u>24,430</u>	<u>29,277</u>

**26 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2016</b> £	<b>2015</b> £
Aggregate compensation	36,548	35,409
	<u>36,548</u>	<u>35,409</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

<b>27 Cash generated from operations</b>	<b>2016 £</b>	<b>2015 £</b>
Net income for the year (as per the statement of financial activities)	149,854	1,049,842
Adjustments for:		
Investment income recognised in statement of financial activities	(3,389)	-
Gain on disposal of tangible fixed assets	(50,600)	(1,085,673)
Depreciation and impairment of tangible fixed assets	6,821	15,506
Movements in working capital:		
(Increase)/decrease in debtors	(25,415)	56,400
(Decrease) in creditors	(134,720)	(400,073)
(Decrease) in deferred income	-	(7,714)
<b>Net cash used in operating activities</b>	<b>(57,449)</b>	<b>(371,712)</b>